South Carolina
Employment Security Commission

2005 - 2006 Accountability Report

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

-ESC Mission Statement

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Section I – Executive Summary

1. Mission and Values

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

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

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

The Employment Security Commission values are:

1. The customer comes first.
2. All employees will be partners in change, providing meaningful input into the improvement of the Agency's operations.
3. Key results and performance will be linked to long-term planning.
4. Open communication, both internal and external, will be promoted continually.
5. The latest technology and resources will be used to continuously enhance customer service.
6. New opportunities to build public and private partnerships will be sought continually.
7. ESC will maintain a diverse, professional, well-trained, motivated, and dedicated workforce.
8. As a steward of public funds, ESC will ensure the fiscal integrity and accountability of our Agency and the programs we administer.

2. Major Achievements Over the Past Year

1. Over 120,000 customers were employed within 90 days of receiving a reportable service.
2. Over 290,000 customers registered for services through the Internet.
3. Over 204,000 customers were referred to listed job openings; over 51,000 openings listed with ESC were filled from our customer pool; over 300 placed in training.
4. Over 35,000 Unemployment Insurance (UI) applicants became employed. The annual goal of 31.5% was exceeded by 120%.
5. Opened the Timken Transition Center in Clinton to provide transition assistance to 1000+ employees dislocated by a pending closure.
6. Upgraded computer equipment for staff in local workforce centers.
7. Completed the construction of the new Hartsville Workforce Center.

8. Several staff members traveled to Mississippi to assist Hurricane Katrina victims with receiving workforce services.
9. The S.C. Occupational Information System (SCOIS) maintained 530 sites statewide. Education and Economic Development Act (EEDA) legislation seems to have had a positive effect as use of the SCOIS Career System increased during the year.
10. SCOIS reported users performing nearly 700,000 occupational searches during the past year – a 40% increase over the previous year.
11. There were 36,655 interest and skills assessments conducted in the SCOIS system this past year.
12. SCOIS provided 57 training sessions representing 782 individuals.
13. Twenty-one educators received Career Development Facilitator Instructor's (CDFI) training provided by SCOIS.
14. The new website constructed by SCOIS this past year includes many new features to assist SCOIS users. All products, training opportunities, staff information and much more are now included in one central SCOIS website.
15. The Communications Department continued to provide information on ESC and other workforce system services to a statewide television audience through its *Carolina Works* monthly show over SCETV and ETV's South Carolina Channel.
16. The Communications Department and the Midlands Workforce Center continued to support "Job Market Monday" on WIS-TV in Columbia. This segment, in its fifth year, helps bring employers and job seekers together successfully and focuses on SCESC and other workforce system services.
17. The State Employer Council tripled its attendance during the year and helped establish local councils in the 35 locations around the state where ESC has workforce centers.
18. The Employment and Training (E&T) Division, the ESC Communications Department, and many of the local workforce centers and their partners collaborated to have more than ten statewide and local job fairs during the year.
19. The E&T Division, the Communications Department, the State Employer Council, and many of the WIA partners collaborated in April to present the Palmetto Workforce Partnership Awards, honoring the state's top employers.
20. For the past three years, ESC has operated a very successful Homeless Veterans Reintegration Program. The Agency has exceeded all of its major goals. The goal for placements was 60, and the agency placed 110 individuals. The enrollment goal was 100, and the Agency enrolled 219.
21. The Communications Department again helped coordinate the state's Groundhog Job Shadowing program with a number of statewide partners. Over 36,000 students shadowed with about 1,200 employers statewide.
22. All offices of ESC were addressing greater demand for services with limited, and in many cases, decreased staffing.
23. The Unemployment Insurance Division conducted training sessions to instruct workforce center employees on fact-finding skills and other facets of taking claims. A total of nearly 300 employees were trained through a $107,900 grant from USDOL.
24. The 35 local Interactive Voice Response (IVR) units that handled all weekly continued claims and inquiries were consolidated into one unit in the Columbia Central Office. By replacing the aging units with a new and more reliable central unit, the workforce centers were relieved of many recurring maintenance problems.

25. The Agency submitted supplemental budget requests to USDOL for funding six projects that will enhance the integrity of the UI program. ESC secured grants totaling $1,147,912 to improve the system and help ensure that only those individuals legitimately eligible for UI benefits actually receive them. These grants will also help ensure that employers pay their proper amount in taxes, and improve the accuracy of workload counts.

26. A new policy was implemented that limits the number of weeks of unemployment benefits an employer can file for his employees. Beginning January 1, 2006, employers could no longer submit more than thirteen weeks for each employee in any benefit year.

27. Programming continued on the South Carolina Automated Tax System (SCATS). The first cycle of User Acceptance Testing (UAT) was completed and the second cycle was begun. Implementation is scheduled for September, 2006.

28. ESC was a major partner in the launching of the South Carolina Business One-Stop (SCBOS). This statewide initiative provides new employers with a single website where they can register with multiple state agencies. It is a successful collaboration that is already winning national awards.

3. Key Strategic Goals for Present and Future Years

1. To increase the number of employer job openings
2. To increase the number of applicants employed
3. To increase the percentage of claimants entering employment
4. To improve the accuracy and timeliness of employer tax information
5. To meet and exceed all federally mandated performance goals related to the Unemployment Insurance program

4. Opportunities and Barriers

Opportunities

1. Statewide implementation of Center for Applied Technology Training (CATT) application site for online recruitment and applicant tracking.
2. Continued development of management tools used in the workforce center.
3. Re-emphasis of the Agency's commitment to the employer by increasing employer recruitment and job order solicitation and to deliver on the agency's promise of "screening potential new-hires".
4. Increased emphasis on providing seamless customer service.
5. Partnering with local WIA resources to provide Work Keys testing and access to Keytrain in several of our workforce centers. This has given customers the opportunity to gain a competitive edge in obtaining jobs that require certain skill sets.
6. Various agency personnel were able to assist victims of Hurricane Katrina with workforce services by traveling to Mississippi to assist the Mississippi Employment Security Commission. Displaced hurricane victims from the states of Alabama, Louisiana and Mississippi were able to get the same services here in the state through help from our employees.
7. SCOIS will continue to provide Career Development Facilitator Training to assist schools in complying with the new EEDA law in South Carolina. The class will offer 120 hours

of curriculum training for Career Development Facilitators and will feature six graduate level credits.

8. SCOIS is building enhancements to the Career System including a new electronic Individualized Graduation Plan and a new Career Management System.
The Career Management System will allow school administrators to track their students' interest in career clusters that are based on results from SCOIS assessments.

9. Continuing to distribute a series of articles pertaining to Employment Service and UI issues which are distributed to newspapers around the state.

10. Continuing employer-focused, marketing outreach through the *Carolina Works* TV program on SCETV and the South Carolina Channel and the "Job Market Monday" feature on WIS-TV in Columbia.

Barriers

1. Lack of advanced computer training for staff.
2. The gradual phase out of America's Job Bank (AJB) over the next 18 months.
3. Meeting a greater demand for services by customers with limited and, in many instances, decreased staffing.
4. A federal funding cut of $142,000 from Section 118 of the Perkins Act, which helped support the SCOIS system in South Carolina.
5. Resource shortages on the part of the contractor have delayed the implementation of SCATS.
6. Funding shortfalls in the UI program have prevented the initiation of several potentially successful programs. Most notable of those is an automated system to pay the many trade related claims that are filed in South Carolina. The current system is manual and needs replacing.

5. Organizational Performance and Continuous Improvement

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

Section II – Organizational Profile

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

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

1. Main Products and Services and Primary Methods of Delivery

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

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

- **Administering the Unemployment Insurance (UI) Program**
  The UI system is funded through an unemployment insurance tax levied against employers, to assist workers who may become unemployed. Workers who are

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

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

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

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

- **Other Specialized Services**
  Certain segments of the workforce also receive specialized services in the workforce centers. Veterans are given preference with registration, referrals to job openings, and

have designated program specialists to assist them. The Agency also monitors the employment and living arrangements of migrant and seasonal farm workers very closely. In addition, the Department of Labor has designated ESC as the coordinator for the Alien Labor Certification (ALC), Work Opportunity/Welfare-to-Work Federal Tax Credit, and Navigator programs.

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

2. Key Customers and Their Key Requirements / Expectations

Customer	Requirements / Expectations
Job seekers and UI claimants	Access to job referral and placement assistance, access to training and supportive services, and access to labor market information
Businesses	Access to placement assistance and labor market information
Universities, colleges, technical schools, and other educational entities	Access to labor market information
One-stop partners' organizations, both private and public	Regulatory requirements, economic stability, access to training and supportive services, and access to labor market information

3. Key Stakeholders (other than customers)
- Workforce Investment Boards (WIBs)
- State and local economic developers
- Federal, State, and Local government agencies
- Chambers of Commerce
- US Department of Labor
- Elected officials

4. Key Suppliers and Partners
- Businesses
- One-Stop Partners
- Workforce Investment Boards (WIBs)
- Federal, State, and Local government agencies
- US Department of Labor

5. Operation Locations

- *35 Workforce Centers across the state serving all forty-six counties*

Abbeville	Clinton	Hartsville	Rock Hill
Aiken	Coastal	Kingstree	Seneca
Anderson	Columbia	Lancaster	Spartanburg
Barnwell	Florence	Lexington	Summerville
Beaufort	Gaffney	Liberty	Sumter
Bennettsville	Georgetown	Marion	Union
Camden	Greenville	Moncks Corner	Walterboro
Charleston	Greenwood	Newberry	Winnsboro
Chester	Hampton	Orangeburg	

- *13 Itinerant Points*

Allendale	Dillon	Manning	York
Bishopville	Eastover	McCormick	
Chesterfield	Edgefield	Ridgeland	
Denmark	Greer	Saluda	

- *2 Administrative Offices and a Supply Facility*

C. Lem Harper, Sr. Building, Columbia
Robert E. David Building, Columbia
Supply Warehouse, Columbia

6. Number of Employees

At the end of FY 06, ESC had a total of 1,116 employees
- 7 Unclassified Employees
- 860 Full-Time Employees
- 153 Temporary Grant Employees
- 96 Temporary Employees

7. Regulatory Environment

- ESC operates under the South Carolina Employment Security Law, S.C. Code Annotated Title 41, Chapters 27 through 41.
- ESC is required to comply with instructions and regulations promulgated by the United States Department of Labor in carrying out provisions of the Federal Unemployment Tax Act (FUTA), the Workforce Investment Act, the Trade Act, and other legislative initiatives designed to serve and improve the American workforce.

8. Key Strategic Challenges

- Reduced program funds

- Technology/equipment limitations
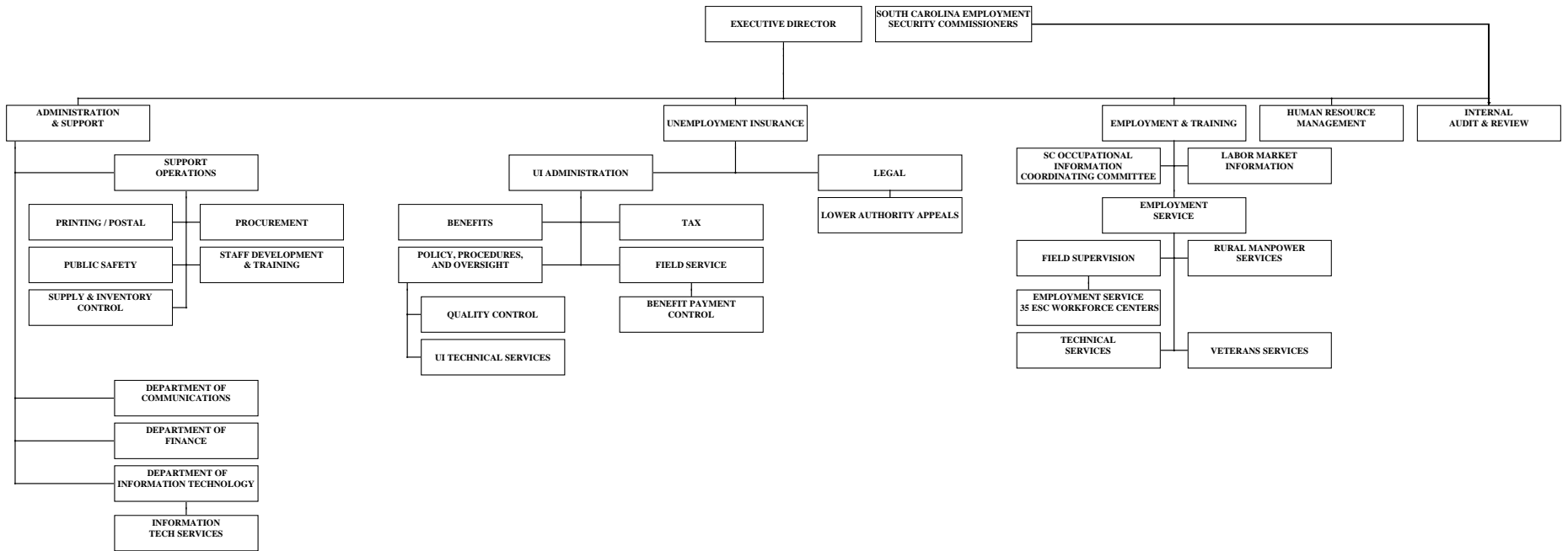- Commitment from businesses to utilize our services
- Economy
- Plant closures and mass layoffs

9. Performance Improvement Systems

- Quarterly workforce center productivity reports to rank each office
- Report nationally to the US Department of Labor regarding Common Measures
- Random sampling of workforce centers are selected annually to receive feedback from employers and applicants

10. Organizational Structure

**SOUTH CAROLINA EMPLOYMENT SECURITY COMMISSION
ORGANIZATION CHART
June 29, 2006**

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                                    EXECUTIVE DIRECTOR    SOUTH CAROLINA EMPLOYMENT
                                                          SECURITY COMMISSIONERS
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| ADMINISTRATION & SUPPORT | | UNEMPLOYMENT INSURANCE | | EMPLOYMENT & TRAINING | HUMAN RESOURCE MANAGEMENT | INTERNAL AUDIT & REVIEW |

ADMINISTRATION & SUPPORT
- SUPPORT OPERATIONS
  - PRINTING / POSTAL
  - PROCUREMENT
  - PUBLIC SAFETY
  - STAFF DEVELOPMENT & TRAINING
  - SUPPLY & INVENTORY CONTROL
- DEPARTMENT OF COMMUNICATIONS
- DEPARTMENT OF FINANCE
- DEPARTMENT OF INFORMATION TECHNOLOGY
  - INFORMATION TECH SERVICES

UNEMPLOYMENT INSURANCE
- UI ADMINISTRATION
  - BENEFITS
  - TAX
  - POLICY, PROCEDURES, AND OVERSIGHT
  - FIELD SERVICE
  - QUALITY CONTROL
  - BENEFIT PAYMENT CONTROL
  - UI TECHNICAL SERVICES
- LEGAL
  - LOWER AUTHORITY APPEALS

EMPLOYMENT & TRAINING
- SC OCCUPATIONAL INFORMATION COORDINATING COMMITTEE
- LABOR MARKET INFORMATION
- EMPLOYMENT SERVICE
  - FIELD SUPERVISION
  - RURAL MANPOWER SERVICES
  - EMPLOYMENT SERVICE 35 ESC WORKFORCE CENTERS
  - TECHNICAL SERVICES
  - VETERANS SERVICES

11. Expenditures/Appropriations Chart

Base Budget Expenditures and Appropriations

Major Budget Categories	FY 04-05 Actual Expenditures		FY 05-06 Actual Expenditures		FY 06-07 Appropriations Act	
	Total Funds	General Funds	Total Funds	General Funds	Total Funds	General Funds
Personal Service	$39,429,933		$38,062,037		$49,194,138	
Other Operating	$12,159,938	$130,724	$11,041,345	$127,033	$12,693,735	$437,557
Debt Services	$359,700		$360,218		$361,000	
Permanent Improvements	$2,593,968		$3,647,500		$ -	
Case Services	$5,269,474		$5,155,200		$5,021,573	
Distributions to Subdivisions	$49,684,084		$140,182		$90,000	
Fringe Benefits	$11,154,729		$10,609,208		$13,977,873	
Non-recurring						
Total	$120,651,826	$130,724	$69,015,690	$127,033	$81,338,319	$437,557

Other Expenditures

Sources of Funds	FY 04-05 Actual Expenditures	FY 05-06 Actual Expenditures
Supplemental Bills		
Capital Reserve Funds		
Bonds		

12. Major Program Areas Chart

Program Number and Title	Major Program Area Purpose (Brief)	FY 04-05 Budget Expenditures		FY 05-06 Budget Expenditures		Key Cross References for Financial Results*
I Admin	To provide executive leadership and administrative services for the Agency.	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	0.00 8,327,762.00 1,044,529.00 9,372,291.00 8%	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	0.00 6,911,736.00 1,633,427.00 8,545,163.00 12%	Chart, pg. 11 Chart, 7.3, pg. 41
II Employment Service	To provide for the matching of job seekers with employers who need workers.	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	0.00 12,719,213.00 3,564,460.00 16,283,673.00 13%	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	0.00 13,027,481.00 10,792,964.00 23,820,445.00 34%	Graph 7.1a-3, pg. 37
III UI	To provide for assessing and collecting Unemployment Insurance taxes. Oversees the filing of unemployment claims and benefit payments.	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	0.00 32,175,296.00 1,842,807.00 34,018,103.00 28%	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	0.00 34,276,332.00 1,764,819.00 36,041,151.00 53%	Graphs 7.1b-2, 7.1b-3, 7.1b-4, pgs. 38-40
IV SCOICC	To provide information to improve the way young people and adults plan careers, make educational training decisions and find jobs.	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	130,724.00 221,185.00 289,566.00 647,475.00 1%	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	127,033.00 153,370.00 313,006.00 593,409.00 1.0%	Major Achievements pg. 2, #'s 9-14 pg. 6, SCOICC
VI WIA	Close out of program.	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	0.00 60,326,835.00 0.00 60,326,835.00 51%	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**	0.00 15,522.00 0.00 15,522.00	N/A
Below: List any programs not included above and show the remainder of expenditures by source of funds.						
	Remainder of Expenditures:	**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**		**State:** **Federal:** **Other:** **Total:** **% of Total Budget:**		

*Key Cross-References are a link to Cat. 7 - Organizational Performance Results. These references provide a chart number that is included in the 7th section of this document.

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, the three deputy executive directors and the directors of Human Resources and Internal Audit. The senior leadership team is comprised of the executive staff and the ten department heads. The senior management team is comprised of the senior leadership team and the sixteen management staff.

1. How do senior leaders set, deploy and ensure two-way communication for: a) short and long term direction and organizational priorities, b) performance expectations, c) organizational values, d) empowerment and innovation, e) organizational and employee learning, and f) ethical behavior?

1.1a-f – Senior leadership provides and encourages effective communications up and down the organizational structure. They continue to work toward effectively communicating, throughout the Agency, the vision and goals set forth for the Agency primarily through division, department and unit meetings. Weekly division meetings provide opportunities for overall direction to be set and monitored. Subsequent meetings on the division, department, and unit level allow this information to be shared with front-line employees, thus ensuring consistent communication on the short and long term direction of the Agency.   Quarterly senior leadership holds an area manager's meeting to provide direct contact and a consistent message to all front line managers at one time.

Additionally, key organizational goals and priorities are set and communicated through weekly division and department meetings and through the development of annual action plans. Continued communication on key priorities occurs in weekly meetings and through consistent communication between senior leadership and staff. Divisions, departments, units, and employees are required to evaluate their individual roles and progress toward accomplishing Agency goals.   Also, using the technology at hand, senior leaders provide written communication, and promote feedback, through the use of email.

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

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

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

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

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

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

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

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

1.3 – 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 06, we continued extended local office hours in some areas to better serve the public during the economic recovery. More local decision-making authority for public service improvement is also encouraged. Senior leadership traveled to the various satellite offices around the state to talk with employees and customers served by the Agency. This direct feedback allows senior leaders to have direct interaction with those needing Agency services. Senior leadership continues to actively monitor, offer advice on and impact legislation at the state and federal level, which would affect services to the public. The Executive Director is the President-Elect of the National Association of State Workforce Administrators, a major influence in labor policies. Senior leadership also continually reviews current trends and labor market data to stay abreast of issues impacting the Agency's service to the public.

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

1.4 – Senior leaders maintain fiscal, legal, and regulatory accountability by consistently reviewing the current state of the Agency. This review includes: frequent updates on the overall budget status of the divisions, departments and reviews within the Agency; consistent consultation with the Agency's legal department on adherence to state and federal legislation;

and frequent communication with state and federal officials to report on the Agency's adherence to guidelines established to operate the programs entrusted to the Employment Security Commission. In addition, the Agency's Internal Audit Department and external auditors assist with monitoring performance and reporting findings to the senior leadership.

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

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

6. 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? How do their personal actions reflect a commitment to the organizational values?

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

7. How do senior leaders promote and personally participate in succession planning and the development of future organizational leaders?

1.7 – Senior leadership, through monthly meetings, discusses possible replacements for known retirements, resignations and vacancies as soon as they are identified. Additionally, senior leaders identify early in their career, potential leaders and monitor their progress for possible additional training and assignments. Through the encouragement of senior leadership, the Agency established a Leadership course for team leaders. The participants, who are nominated by their supervisors and selected by the senior leadership, complete a rigorous course of study. Those senior managers with executive potential are selected to attend the State's Executive Institute, which is a senior leadership course.

8. How do senior leaders create an environment for performance improvement, accomplishment of strategic objectives, and innovation?

1.8 – Senior leaders maintain an "open door" policy that allows and fosters sharing ideas up and

down the authority chain. This sharing encourages leaders to look critically at the status quo and where needed, change it or, where it doesn't, explain why. In this way, senior leadership keeps all employees energized and thoughtful in suggesting improvements in the accomplishment of the agency objectives. In addition, the Agency has a very active Employee Suggestion Program.

9. How does senior leadership actively support and strengthen the communities in which your organization operates? Include how senior leaders and employees contribute to improving these communities.

1.9 – The Agency and its senior leadership actively support and strengthen communities by strongly encouraging employee involvement in civic clubs, chambers of commerce, Workforce Investment Boards, economic development groups, and various other community oriented groups or committees. The Agency has established a State-wide Employer Council and each local office is encouraged to establish one for their area. Senior leaders are active members of the state-wide council and senior management level leaders participate in local area councils. The Agency also is represented on the board of Koban Columbia, Inc., a non-profit organization designed to provide opportunities to "at-promise" youth and their families. For local area directors, the Agency provides assistance with organizational membership fees.   Staff is encouraged to be involved in programs that will provide exposure for ESC and the services provided to job seekers, businesses, and the community at large.   In addition, the Agency participates in and sponsors local and regional job fairs to provide assistance within various communities around the state.

2.0 Strategic Planning

1.   What is your strategic planning process, including key participants, and how does it address: a) your organization's strengths, weaknesses, opportunities and threats; b) financial, regulatory, societal and other potential risks; c) shifts in technology or the regulatory environment; d) human resource capabilities and needs; e) opportunities and barriers you described in the Executive Summary; f) business continuity in emergencies; and g) your ability to execute the strategic plan.

2.1 – During FY 06, the Employment Security Commission continued to focus on tactical planning to address the constant challenges faced by changing economic conditions throughout the state. This was due to the increasing need to reengineer operational processes to adapt to increased demand for services by dislocated workers and new and expanding businesses. This workplace evolution involved the reengineering of many of our work processes to better utilize our human resources and an increased dependency on technology to meet both internal and external customer needs. FY 06 was marked by record levels of job growth which were in many cases offset by mass layoffs in textiles and the manufacturing sector in general. The supply and demand equation for workers was often complicated by the mismatch between the skills required for the new jobs and skills possessed by those being laid off. These circumstances added significantly to the operational challenges faced by the labor exchange system in South Carolina.

In an effort to better address these challenges, the Agency focused on two primary strategic initiatives: **improved access to customer input and interagency collaboration**. The State

Employer Council worked diligently throughout the year to identify strategic priorities for the Agency. Over 100 business executives participated in a SWOT (Strengths Weaknesses Opportunities Threats) analysis identifying workforce system challenges. The council met quarterly to follow-up and provide feedback on tactical responses to strategic objectives and to provide valuable input on the changing needs of our business customers. The Council's leadership has also provided valuable input on the national level related to appropriations and pending legislation.

Increased demand for services coupled with reduced resources has created an environment where collaboration is an essential part of Agency strategic and tactical planning. Collaboration at the state level with the Governor's Office, the Department of Commerce, the Department of Social Services, Vocational Rehabilitation, the Department of Corrections, and a host of other agencies resulted in cooperative agreements that reduced duplication of effort. Collaboration with the local Workforce Investment Boards improved resource alignment and clarified goals, roles and desired outcomes. The growing emphasis on collaboration helped us move closer to a seamless workforce delivery system in South Carolina. Through collaboration and improved communication throughout the workforce development system, the Agency was able to respond quickly to the influx of persons into the state as a result of Hurricane Katrina. In addition, the Agency continues to serve as a key member of the State's Rapid Response system that addresses plant closures and layoffs. The integration of tactical and strategic planning into the Agency's core values has provided both flexibility and focus to the array of services we provided our customers during 2005-2006.

2. What are your key strategic objectives?

- To increase the number of employer job openings
- To increase the number of applicants employed
- To increase the percentage of claimants entering employment
- To improve the accuracy and timeliness of employer tax information
- To meet and exceed all federally mandated performance goals related to the unemployment insurance program

These are addressed in the Strategic Planning Chart.

3. What are your key action plans/initiatives?

- To place increased emphasis on the development and enhancement of the state and local employer councils
- To encourage and foster exceptional performance in the Agency's workforce centers by tracking monthly productivity and awarding quarterly productivity awards to high achievers in the areas of placement and job retention
- To sponsor, facilitate and participate in Rapid Response and Job Fairs targeting persons impacted by mass layoffs and closures to assist in reemployment efforts
- To complete development of conversion programs and begin Unit Acceptance Testing (UAT) for all functional areas of the UI Tax Department

- To continue to monitor, assess performance, and take corrective actions when necessary, in all areas which are included in the UI Performance Measurements established by the US Department of Labor

These are addressed in the Strategic Planning Chart.

STRATEGIC PLANNING

Program Number and Title	Supported Agency Strategic Planning Goal/Objective	Related FY 05-06 Key Agency Action Plan/Initiatives	Key Cross References Performance Measures
II ES	To increase employer job openings	Placed increased emphasis on the development and enhancement of local Employer Councils. Integrated local Employer Council activities with State Employer Council initiatives	Section I, Page 1 Major Achievements, #3 7.1a-1, Page 36
	To increase the number of applicants employed	Created competitive environment between the Agency's Workforce Centers by tracking monthly productivity and awarding Quarterly Productivity Awards to high achievers in the areas of placement and job retention • The Columbia WFC had a staff person out-stationed for over a month assisting a large company in the Columbia area with applications for their expansion. This resulted in over 1,000 people being hired • The HVRP program had a goal of placing 60 homeless veterans. They surpassed their goal by placing 110 individuals	7.1a-2, Page 36

	Increase the percentage of claimants returning to employment	Sponsored and participated in Rapid Response and Job Fairs targeting persons impacted by mass layoffs and closures to assist in reemployment efforts. • Opened the Timken Transition Center May 2006 which will assist 1,000+ affected dislocated Timken workers over the next two year period • Operated Transition Center in Fort Lawn, SC which assisted workers involved in the closing and downsizing of two Springs Industries plants in the Chester and Lancaster area center opened in May 2005 and closed December 2005. • Operated the WestPoint Stevens Transition Center that served over 1,300 people impacted by job loss	Section I, Page 1, Major Achievements, #4
III UI	To improve the accuracy and timeliness of employer information by implementing a new tax system	Complete development of conversion programs and begin Unit Acceptance Testing (UAT) for all functional areas of the UI Tax Department	Section I, Page 3, Major Achievements, #27
	To meet and exceed all federally mandated performance goals related to the unemployment insurance program	Continue to monitor, assess performance, and take corrective actions when necessary, in all areas which are included in the UI Performance Measurements established by the US Department of Labor	7.1b-2, Page 38 7.1b-3, Page 39 7.1b-4, Page 40

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

2.4 – The Agency's strategic goals can be identified by division. It is at the division level that tactical plans are developed to address strategic goals and objectives. Through the use of input from customers, front-line staff, program staff, partnering agencies, and management,

operational action plans are developed. These tactical plans are established using SMART (Specific Measurable Action-Oriented Relevant Time Bound) goals and are executed through a project management approach.

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

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

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

6. How do you measure progress on your action plans?

2.6 – Meeting performance deliverables and customer satisfaction are the keystones to management practices at the Agency. Weekly divisional staff meetings focused on performance-related issues and output. Project management at the unit and departmental level provided valuable performance-related information and benchmarks that were shared at the divisional level to ensure open communication and collaboration.

7. How do your strategic objectives address the strategic challenges you identified in your Organizational Profile?

2.7 – The Agency's strategic objectives and the long-range and tactical plans were implemented in an effort to achieve optimum performance and were directly related to the strategic challenges we faced as an organization. Through the use of SWOT as an environmental scanning tool and the input of our customers, we have systematically identified new challenges and opportunities. These challenges and opportunities have been the driving force behind the allocation of our resources.

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

2.8 – The strategic plan is currently not available through the Agency's Internet homepage.

3.0 Customer Focus

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

3.1 – Our customers and their key requirements are determined by federal and state legislation that defines the services the Agency provides as well as customer eligibility guidelines. Key requirements of these customers include job referral and placement assistance, access to unemployment insurance benefits, access to training and supportive services, as well as services involving labor market information.

Other customers and their requirements are based on their individual needs for employment-related information and services. These customers include businesses; state government agencies; federal government agencies; local government agencies; universities; colleges; technical schools; other educational entities; economic development officials; chambers of commerce; Workforce Investment Boards (WIBs); one-stop partner organizations, both private and public; the legislature; and the general public. Although concentration is on South Carolina citizens, information and services are available through web-based applications that provide access to employment and labor market information to any individual or company.

The US Department of Labor (USDOL) provides program funding and determines many of our service areas. Many of our primary performance measures and deliverables are specified through contracts and grants with USDOL.

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

3.2 – The Agency's listening and learning methods and customer/business expectations are kept current with changing customer/business needs through continuous communication and feedback. The State and Local Employer Councils continue to provide valuable input from the end-users of our state's public employment service. Collaboration and input from our partnering organizations in our one-stop workforce centers allow us to tailor our programs to meet the specific requirements of each local area and its customers' needs. Another method used to keep listening and learning methods and expectations current with customers' needs are participation of staff in local chambers of commerce, civic organizations, and Society for Human Resource Management (SHRM). Attendance at state and national conferences also keeps us attuned to the best business practices in customer service.

Customer comments are solicited on a daily basis through a variety of efforts, such as in-person solicitation, telephone and written surveys, and through other technology. The Agency also has a complaint management process that includes a state monitor advocate, a migrant affairs liaison, an Equal Employment Opportunity (EEO) officer to handle complaints, as well as Employment Service (ES) and Unemployment Insurance (UI) complaints systems. Unemployment fraud complaints may be reported through a toll free fraud hotline or via the Internet (www.sces.org). Offices are staffed with specialists to assist with complaint intake and resolution.

The Agency has employer representatives who maintain contact with local businesses to facilitate communication and feedback. These employer representatives also provide information on Agency services which include, but are not limited to:

- Building working relationships
- Providing technical assistance by interpreting applicable policies, procedures and regulations
- Explaining reporting requirements
- Answering general questions about the Agency and the services available
- Developing job openings
- Obtaining job orders

The Agency strongly encourages open lines of communication so that its listening and learning methods stay current in order to serve its customers' needs and expectations.

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

3.3 – The Agency evaluates feedback obtained from customer/stakeholder surveys to keep services or programs relevant and provide for continuous improvement. The level and delivery of services are guided by customer/stakeholder feedback. Agency staff and Local Workforce Investment Boards (LWIBs) meet, evaluate, and determine the best possible services and operation design to meet the needs of the business community, program participants, and a skilled workforce. Program and performance data are reviewed by management to aid in service or program modifications. The Agency strives to satisfy customer/stakeholder needs by providing information, forms, and services electronically. The Agency's web site (www.sces.org) provides access to information on Employment Service, Unemployment Insurance, Labor Market Information and links to other workforce development services and partners.

The Agency, along with other government entities and public and private organizations, participates in the South Carolina Business One Stop (SCBOS), www.scbos.com. SCBOS is a centralized destination for businesses seeking to secure various licenses, registrations and permits. This website offers a new level of customer service for business owners, reducing the logistical scrambling it takes for businesses to remain in compliance with state law. This is a great accomplishment of the partnership between government entities and the private sector and has proven to be convenient and cost-effective.

4. How do you measure customer/stakeholder satisfaction and dissatisfaction, and use this information to improve?

3.4 – The Agency continually evaluates customer feedback that guides the level and delivery of services. The local Workforce Investment Boards (WIBs) set general policy guidelines for the operation of one-stop workforce centers in their specific areas. Agency staff serves on these boards along with business leaders, educational representatives, and local elected officials. Under the Workforce Investment Act (WIA), questionnaires are used to solicit feedback from businesses and program participants. Program and performance data, based on the actual

services provided to customers during a fiscal year, are provided to these oversight groups. The Agency regularly monitors each area to ensure understanding of and compliance with governing federal regulations and local area policies.

The Agency places priority on customer service. Structural changes (universal access) have been made to better serve customers. Toll free numbers and fax-on-demand features have been added to provide easy access to information. Agency products and brochures, developed by the Labor Market Information Department, are evaluated by the customers who receive these services. Employees are cross-trained in various program areas to handle customer requests more efficiently. All customer complaints receive individual attention and follow-up.

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

3.5 – The Agency has numerous services and accommodations available to build and bridge relationships with customers and stakeholders by providing a variety of products and services. The Agency continues to improve the delivery of services for customers and stakeholders. Some examples are:

- Toll free number for weekly unemployment insurance claims – eliminates long distance telephone calls
- Telephone fact finding – convenient and time-efficient
- Employers can respond to requests for separation information by email – which is time and cost efficient.
- The Agency and Center for Accelerated Technology Training (CATT), provided an on-line training application – allowing 24 hour access to the application via the Internet to in-state and out-of-state customers.
- Extended work hours and out-stationed personnel to accommodate business needs
- The Agency continues to operate programs specifically dealing with specialized groups, such as: veterans, disabled veterans, youth, Native Americans, those needing adult education and literacy activities, senior adults, and the Spanish-speaking communities.
- Outreach efforts are in place to provide Agency services to migrant and seasonal farm workers.
- Services continue to be provided and improved for Limited English Proficient (LEP) individuals and those covered by the Americans with Disabilities Act (ADA).
- The Disability Program Navigator Initiative, sponsored jointly by the US Department of Labor and the Social Security Administration, has been implemented in several One-stop Workforce Centers around the state. The Navigator staff facilitates universal access to the One-Stop system for persons with disabilities by addressing the needs of people with disabilities who are seeking training and employment. Navigator staff is instrumental in the development of relationships with partners, other service systems, and linkages and collaboration with employers, employer organizations, and community service providers.
- Assistive technology equipment has been purchased to assist those with barriers. Accommodations have been provided for the technologically savvy customers, and for those customers still preferring paper documents.

- The Agency is a major participant in state and local employer councils. These councils continue to grow and work toward common priorities. Their feedback is essential to the continuous improvement of the Agency services offered statewide.

The Agency tracks new applicants and renewals, as well as applicants placed and applicants employed. Increased emphasis on supportive services has resulted in increased referrals of applicants to partner services prior to job referral and placement. These services improve the likelihood of a positive outcome for the customer.

Efforts to build positive relationships include recognition, through nominations and awards, to those providing outstanding service and for those with outstanding achievements. These nominations and awards are provided by the International Association of Workforce Professionals (IAWP) and Workforce Investment Area (WIA).

For the third year in a row, the SC Chapter of IAWP was named the #1 chapter in the country. In addition to being #1, the chapter received the following awards:

- One-Stop of the Year – Charleston One-Stop Workforce Center
- Public Policy Award – Representative Gilda Cobb-Hunter for her assistance in getting legislation passed that protects individuals who are victims of domestic violence from losing their Unemployment Insurance benefits if they quit their job to avoid further violence
- Retiree of the Year (2nd Place)

The Chapter also received perfect scores in:
- Educational Activities (training, scholarships, conferences)
- Professional Practices (chapter awards, community services, chapter promotion)
- Communications (newsletter, website, printed items)

Workforce Investment Area (WIA) awards also recognize exemplary performance and achievement of Local Workforce Investment Areas (LWIAs), partners, and participants. These awards encourage all levels to work together to achieve objectives. The Agency received the following WIA awards:

- The Outstanding One-Stop Center Award (Greenwood Workforce Center)
  The Outstanding One-Stop Center Award was established by the State Workforce Investment Board to recognize a One-Stop Center that provides high quality workforce development services to employers and individuals seeking employment, job training or related career advancement. The center must have demonstrated exemplary attention to the core principles, including universal access, customer choice, and partner agency integration.

- Outstanding One-Stop Employee Award (Lancaster Workforce Center)
  The Outstanding One-Stop Employee Award was established by the State Workforce Investment Board to recognize and honor outstanding contributions by a staff person in a One-Stop Center. The employee must embrace diversity as demonstrated by his/her

interaction and relationships with customers and co-workers and provided services to others that are beyond assigned responsibilities for customer service satisfaction.

4.0 Measurement, Analysis, and Knowledge Management

1. How do you decide which operations, processes and systems to measure for tracking financial and operational performance, including progress relative to strategic objectives and action plans?

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

Progress is monitored through various reporting systems throughout the Agency. Management staff follows reports daily, monthly and at various intervals to ascertain progress in meeting organizational objectives. Reports are structured to provide staff with desirable outcome goals in each measured area so progress can be readily followed.

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

4.2 – Operational data are continually utilized in making programmatic decisions for UI, E&T, and LMI programs. Specialized departments such as UI Technical Services and E&T Technical Services are utilized to provide supervision to these programs. Services provided include, but are not limited to:
- Interpretation and dissemination of federal regulations and directives
- Preparation and distribution of procedures, policy manuals, and forms
- Evaluations, training, and/or special studies conducted as necessary

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

3. What are your key measures, how do you review them, and how do you keep them current with business needs and direction?

4.3 – The key measure of the Employment Security Commission's management strategy is how effectively the Agency's activities achieve its goals. Since the Agency is undertaking new and expanded roles, our work to develop new outcome measures is critical in demonstrating our effectiveness. As we develop these new measures, the Agency will use internal measures of success for those strategies that affect internal operations such as the strategies to improve

communication and improve its workforce. We will survey employees to determine the impact of management policies that support them and make improvements based on the results. Examples of such indicators are:

- The degree to which the Agency meets its strategic goals

- Increasing the satisfaction level among employees and customers

- Providing program managers with better financial operational data

- Ensuring that program managers believe automated systems are utilized effectively

- Ensuring that program managers agree that the Agency has "the right people in the right place" in order to achieve optimum results

- Meeting the executive staff's management agenda

- Ensuring that the needs of Agency employees are met through the various Agency departments

4. How do you select and use key comparative data and information to support operational and strategic decision making and innovation?

4.4 – South Carolina is compared to the other 49 states (and to the other employment entities in Washington, D.C., Puerto Rico, and the Virgin Islands) by USDOL, which "grades" the performance of each agency in various programs. This measurement system defines the data that must be collected to provide performance reporting to USDOL. The Agency is also compared to the seven other states within our region. Internally, we compare similar offices at local levels to provide an informative overview of performance, with awards given to the best at each level.

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

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

6. How do you translate organizational performance review findings into priorities for continuous improvement?

4.6 – Performance review findings are translated into measurable outcomes relative to each program area. As each program area is monitored, staff can ascertain whether goals and objectives are being met. Within ESC, continuous improvement is always a priority. Performance data are reviewed weekly, monthly, quarterly, and annually by senior leadership, managers and end-users. Accurate operational data allow staff to evaluate performance and analyze areas needing priority attention. Consistent reporting allows this process to provide an accurate overview throughout the program year on meeting organizational objectives and goals.

7. How do you collect, transfer, and maintain organizational and employee knowledge (your knowledge assets)? How do you identify and share best practices?

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

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

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

Best practices are shared through organizational meetings, technical assistance guidance, media avenues and Agency publications. The Agency is continuously striving to disseminate and transfer pertinent knowledge throughout all program areas and departments.

5.0 Human Resources

1. How do you organize and manage work: to enable employees to develop and utilize their full potential, aligned with the organization's objectives, strategies, and action plans; and to promote cooperation, initiative, empowerment, innovation and your desired organizational culture?

5.1 – The Agency is organized and managed with an emphasis on customer service reflected in our mission statement: "…*to provide quality, customer-driven workforce services that promote financial stability and economic growth*."

As previously stated, 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 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 focus can be summarized in two words: **Customer Satisfaction**. We believe in customer service and effective results.

To ensure these responsibilities are met, the Agency is comprised on paper into three functional Divisions: Employment & Training (E&T), Unemployment Insurance (UI), and Administration and Support (A&S). In reality, the Agency's organizational design enables employees to seamlessly cross division "lines" to ensure our services meet or exceed our customers' expectations. Much of the work in ESC Workforce Centers is accomplished through the use of cross-functional work teams from the E&T and UI divisions.

A Human Resource (HR) analysis of the Agency's workforce by EEO Category reveals the Agency puts its money where its mission is. Specifically, over 80% of the Agency's workforce is dedicated to customer service job duties (*See Figure 5.1-1*).
Figure 5.1-1

EEO Category	FY 06 Workforce	EEO Category	FY 06 Workforce
(E1) Executive	0.70%	(E4) Safety	0.23%
(E2) Professional	81.40%	(E6) Office/Clerical	9.19%
(E3) Technician	8.14%	(E7) Skilled	0.35%

2. How do you evaluate and improve your organization's human resource related processes?

5.2 – The Teacher and Employee Retention Incentive (TERI) Plan presented both opportunities and challenges for the Agency this past fiscal year. To manage and maintain a quality workforce, the Agency anticipated these workplace challenges by providing work environments that attracted and retained the best workers, and made the best use of its valuable human resources. Achieving these goals required the undertaking of workforce planning -- a process by which the Agency assessed future human resources needs in order to construct a strategic plan for workforce development. Because the majority of day-to-day human resources activities are conducted by the individual cost centers that comprise the Agency, developing an effective state

plan depended on each cost center's commitment to track and report workforce information in major area.

One phase of succession planning at ESC involved the documentation of job tasks and functions so that the successor is able to take over the job without having to reinvent the major components of the job. While everything could not be documented, the major duties were. The Agency's workforce succession plan involved the identification of key individuals in the Agency that were eligible to retire and then documenting the major job tasks and responsibilities of their jobs so that their "legacy" was not lost. With the loss of experienced, knowledgeable personnel over the last several years and the possibility of more to follow, it was of utmost importance that the Agency address this matter with a sense of urgency in order to meet the challenges of the future and provide quality services to the citizens of South Carolina.

The Basic Approach

Identify Agency Targets	Mission & Objectives
Identify Who You Have	Current Workforce Profiles; Future Outlook
Identify Who You Need	Future Outlook; Future Workforce Profiles
Close the Gaps	Workforce Strategies
See If It All Works	Evaluate Workforce Strategy

3. How do you identify and address key developmental and training needs, including job skills training, performance excellence training, diversity training, management/ leadership development, new employee orientation and safety training? How do you evaluate the effectiveness of this education and training? How do you encourage on the job use of the new knowledge and skills?

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

4. How does your employee performance management system, including feedback to and from employees, support high performance and contribute to the achievement of your action plans?

5.4 – High performance is supported by the Employee Performance Management System. Through use of the EPMS, the Agency strives to improve supervisor-employee communication. The EPMS also serves as the primary tool for management to document employee performance and increase productivity. The main goal is to increase the overall effectiveness and productivity of the Agency by improving the work performance of its individual employees. Generally, an

evaluation session is a time for accountability, for assigning consequences with actions, for detecting flaws and making improvements, and for planning future goals.

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

5. *How do you motivate your employees to develop and utilize their full potential?*

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

Work Systems

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

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

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

Employee Education, Training and Development

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

1. Education and training support the Agency's key action plans and needs, including longer-term employee development and learning, and leadership development of employees.

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

6. What formal and/or informal assessment methods and measures do you use to determine employee well being, satisfaction, and motivation? How do you use other measures such as employee retention and grievances? How do you determine priorities for improvement?

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

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

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

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

Employee Satisfaction: Measures and/or indicators of well-being, satisfaction, and motivation include: safety; absenteeism; turnover; grievances; other job actions; insurance costs; workers' compensation claims; and results of surveys.

7. How do you maintain a safe, secure, and healthy work environment? (Include your workplace preparedness for emergencies and disasters.)

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

that are necessary in the event of an emergency, such as evacuation routes and communication plans.

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

6.0 Process Management

1. *What are your key processes that produce, create or add value for your customers and your organization? How do you ensure that these processes are used?*

6.1 – ESC is responsible for the effective management and operation of the Unemployment Insurance, Employment and Training, and Labor Market Information programs for the State of South Carolina. The Agency has thirty-five workforce centers and thirteen itinerant points that serve the forty-six counties of the state. These offices are charged with the delivery of quality service to our customers. Our customer base consists of claimants, job seekers, employers, and the community in general. The local office presence enables ESC to provide personalized service to the customer. The central administrative office provides the necessary support functions for all local offices, as well as management of all key processes and programs.

ESC strives to constantly improve upon business processes and performance levels, as measured by USDOL, in the areas of Unemployment Insurance and Employment and Training. The expediency, accuracy, and quality with which these services are provided are the deciding factors between being a successful and very successful Agency.

ESC has several solutions in place to ensure that correct processes are used. The use of various statistical reports, surveys conducted in the local offices, and regular meetings with local office leadership all work to ensure that the business processes are used and working effectively.

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

6.2 – ESC continues to suffer cutbacks in the funding available to provide mission critical services to our customers. By leveraging emerging technologies, the agency has been able to provide a high quality of service to which our customers are accustomed while reducing staffing levels and re-training/re-allocating where required.

The customers of ESC have evolved to become more technically savvy and interested in using our workforce centers. ESC is committed to growing its systems and services so that we respond and work well with the changing needs of our customers. In response to this, ESC has

researched and/or secured several on-line applications that integrate into its current systems to provide greater ease of use, more accurate completion of customer required forms, identity theft detection, and detection of fraud.

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

- Electronic mail response for employment separation information
- Increased participation of electronic funds transfer application for employers' quarterly taxes
- Increased participation of employer electronic wage reporting and claims filing systems
- Technical modification to the Agency's software, hardware, and workstations for ADA customers
- Extended operational hours to accommodate customer access and services
- Partnerships with major employers for statewide job fairs and business expositions
- Expanded statewide utilization of media projects via radio, television, and newsprint as service delivery tools
- Establishment of transition centers at or near mass layoff sites to facilitate filing of unemployment insurance benefits and assist in securing new employment

ESC made adjustments to system backup and recovery procedures in order to facilitate the possibility of extended hours in the local offices when necessary. By minimizing the need for long system downtime for batch, back end processing and backup procedures, the Agency has been able to increase availability of critical systems in areas throughout the state where a workforce event occurs.

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

6.3 – ESC has several checks in place to ensure that the requirements of key related processes are met. Daily review of detailed reports is conducted to ensure accuracy of processing. Corrective action plans are in place to address errors.

The Agency is a leader in the region and nation in many areas such as prompt and accurate processing of claims and registrations. The Agency utilizes various data cross matches with databases including, but not limited to, the Social Security Administration and the National Directory of New Hires.

The Agency has also worked with the Office of the Inspector General for prosecution of fraudulent claims and has reviewed and secured software applications to prevent SUTA (State Unemployment Tax Avoidance) Dumping. This practice involves the use of creative and illegal accounting practices by employers in their efforts to reduce quarterly taxes.

4. – How do you systematically evaluate and improve your key product and service related processes?

6.4 – We have several methods of evaluating our products and services and getting suggestions from our clients as to what improvements should be made. These include:

1. **Agency Line Staff Personnel Suggestions**
    Agency line staff personnel meet with job seekers and employers on a regular basis. As a result, they have a good handle on what the requirements of our customers are. They communicate the requirements to local office managers and Agency executives. These ideas and comments are used in meetings and surveys described in 2 below.
2. **Employer Surveys and Meetings**
    Employers are sent surveys asking them to rate our service and asking for recommendations for improvement. In addition, local Agency staff is assigned to employers in its area, and regularly meets with them to seek their counsel. There are also employer councils that meet with Agency personnel to discuss common goals.
3. **Job Seekers**
    Job seekers are asked to evaluate the service they receive when they are in our offices, and some of them are sent customer satisfaction surveys. This information is collected and evaluated.
4. **Job Fairs**
    The agency regularly holds job fairs where job seekers and employers come together for employment opportunities. Some of these fairs are sponsored by other organizations.
5. **LMI Surveys**
    LMI regularly surveys employers and job seekers and summarizes the information received. It should be noted that LMI regularly surveys secondary education for information on what they view as employment trends and requirements. This information is summarized for agency use.
6. **Agency Executives**
    Agency executives use the above information when discussing customer suggestions and recommendations.

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

6.5 – The Division of Administration and Support provides the Agency's key support and management staff. This division is responsible for ensuring that all tasks processed and submitted by the statewide offices meet federal guidelines established by USDOL.

The Labor Market Information (LMI) Department has continued to emphasize and improve customer service. Modifications were made to facilitate better customer performance such as continued emphasis on providing information, support, and marketing efforts to local offices and workforce investment boards, prompt response to data and information requests, and significant progress in the modernization of the mass layoff statistical program.

The Unemployment Insurance program is continually monitored by the Quality Control (QC) Department. QC performs various regular audits on the practices of the Agency's administrative and local offices. Weekly and annual reviews are conducted to ensure USDOL compliance. Reports, statistics, and graphs are generated to notify management of problem areas.

Recommendations for training, modifications, and improvements are forwarded, with follow-ups by the UI Technical Services Department made as needed. This quality control function is a valuable tool in the Agency's efforts to improve overall performance in the UI program.

Employment Services is monitored by the US Department of Labor, which requires specific reports and information on a regular basis. These reports are evaluated by USDOL, which uses them to generate process improvements and achieve better performance. The Agency also uses this data to evaluate its performance.

Some improvements are mandated by USDOL, and others are encouraged. We continue to meet all of the mandated requirements. If the encouraged improvements come with funding, we do them; we also do most of the non-funded improvements depending on whether we can find the money and justify the expenditure. We also look at what our employers and jobseekers are suggesting in assisting us in this evaluation (*see 6.4 for further detail on this process*).

7.0 Business Results

7.1a Mission Accomplishment - Employment Service

Job Openings and Services Provided to Customers

The primary objective of the Agency's labor exchange is to assist individuals in obtaining employment.   During the last program year, 322,122 individuals were registered for this purpose, an increase of approximately 16,000 individuals registered from the previous year. Of those registered this year, almost 33%, or 105,005 individuals, were employed after receiving services.

Two groups of customers receive special emphasis for Agency services – customers receiving Unemployment Insurance benefits (claimants) and veterans. For claimants, the Agency goal is to ensure that at least 31.5 % of individuals receiving unemployment insurance checks return to work. During PY 05, 37,142 claimants returned to work. This number was 33% of the total registered claimants. For veterans, the Agency goal is to accomplish a 15% higher employment rate than for non-veterans. During the last year the non-veteran applicants were employed at a rate of 32%, establishing the goal for veterans at 36.8%.   The actual employment rate for veterans was 43%, well above the established goal.

7.1a-1 Job Openings (requests for workers): This graph depicts South Carolina Job Openings postings with our agency, by program year. South Carolina has obtained an increase the last three program years and is now at a five year high with 120,420 openings. One of our goals is to increase the number of listings yearly.

Job Openings
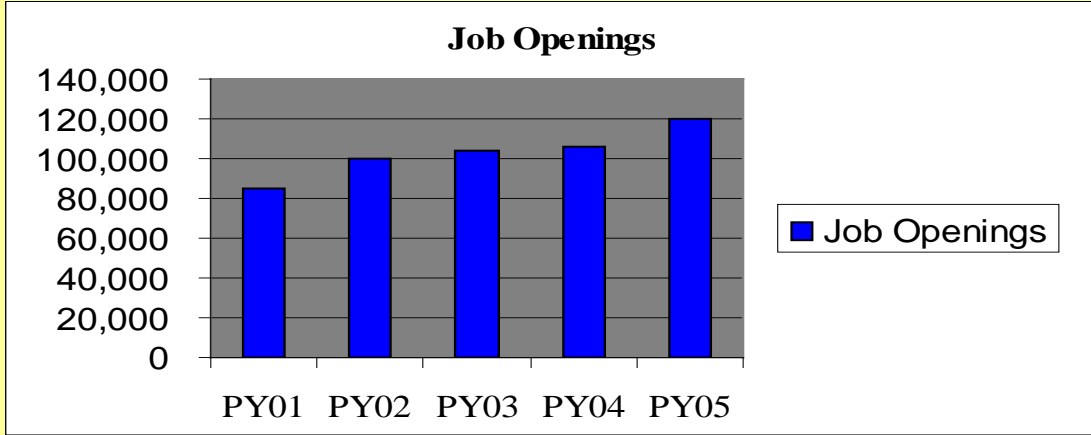
7.1a-2 Applicants Employed: This graph depicts the number of individuals who have become employed within 90 days after receiving services from our agency, by program year. Our goal is to increase the overall "employment after receiving service" numbers yearly. The current rate of 32.6% represents a slight decline from the 34.7% posted in the previous year.

Applicants Employed
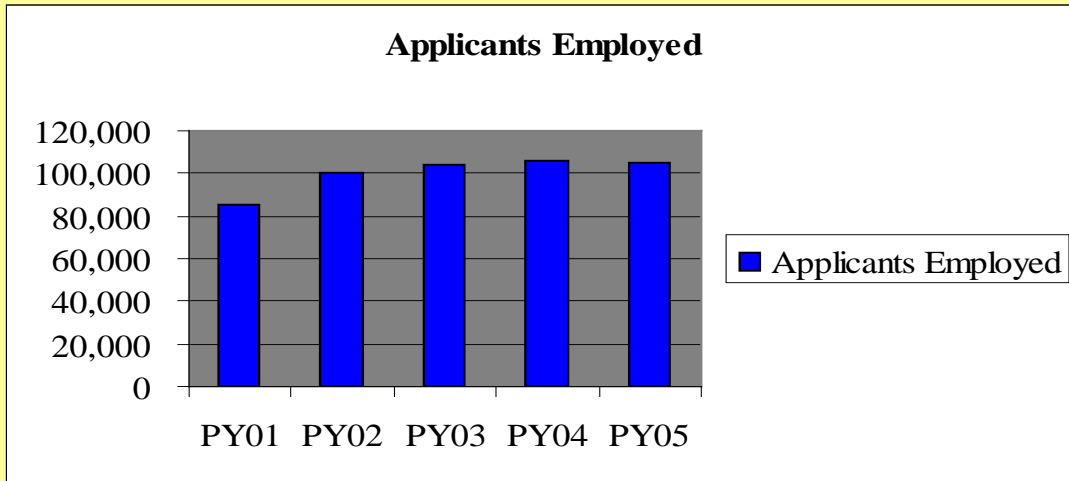
7.1a-3 Percent of Claimants Employed: This graph depicts the percentage of eligible claimants who become employed within 90 days after receiving services from our agency, by program year. As a percentage, even as the actual numbers of claimant rises and falls in different years, the comparison of yearly percentages provides a measure of service level. Our goal is to have a minimum of 31.5 percent of claimants registered become employed.

Percent of Claimants Employed
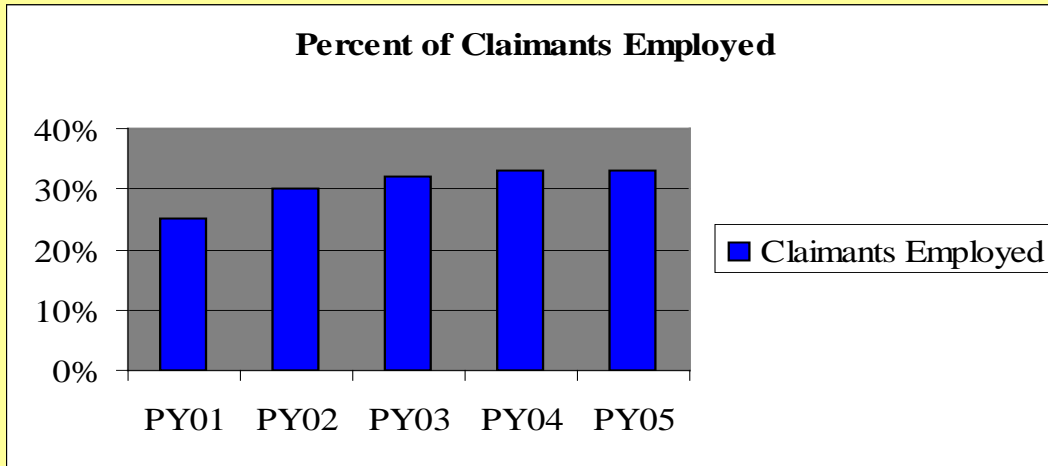
7.1a-4 Applicant Employment Rate vs. Veteran Employment Rate: This graph depicts the percentage of veterans who become employed within 90 days after receiving services from our agency, by program year, compared with the percentage of non-veterans becoming employed. The comparison of yearly percentages provides evidence of a demonstrated priority of service. Our goal is to have 15 percent higher employment rate percentage for veterans than for non-veterans.

Applicant Employment Rate vs. Veteran Employment Rate
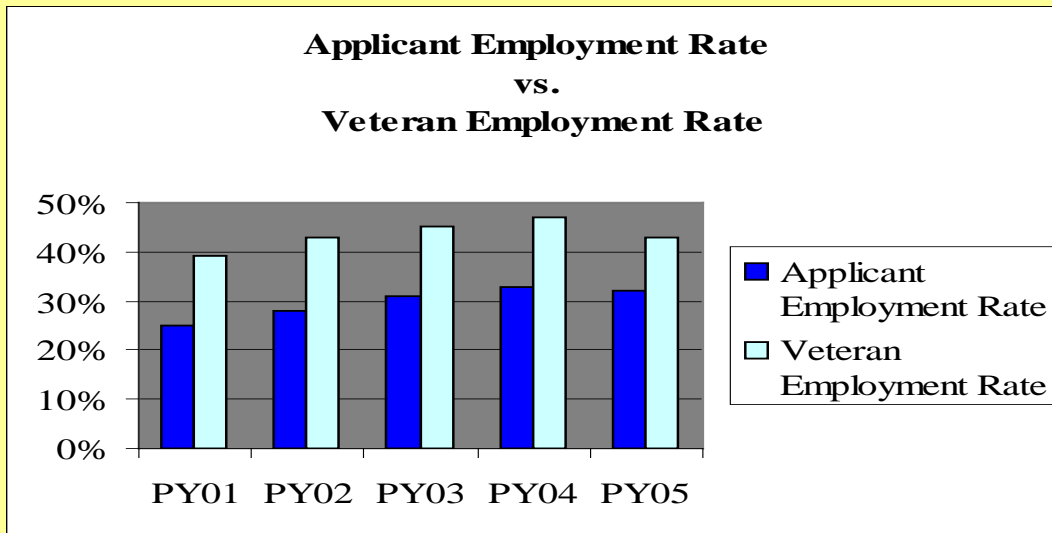
7.1b Mission Accomplishment - Unemployment Insurance (UI)

On May 9, 2005 the Agency began User Acceptance Testing (UAT) of the new employer tax system. As of June 30, 2006 the vendor (SABER, formerly COVANSYS) had begun processing the 384 scripts that were developed to test the system. Of the 384 scripts, 324 have been approved, for a completion rate of 84%. As of June 30, 99% of the 1,846 issues logged have been closed.

The vendor and Agency staff continued to modify the conversion and interface programs during the year. Expected implementation of the new tax system is now scheduled for the third quarter of 2006.

7.1b-1 Payment of Claims – The program mission is to promote economic and employment stability and relieve the hardships of unemployment through the payment of employer financed insurance benefits to eligible unemployed individuals.

The program objective is the accurate determination of employer liability, customer friendly unemployment insurance claims services, quality determinations of initial and continuing claimant eligibility, timely benefit payments on a continuing basis, and quality control programs to insure efficient and effective program performance.

Total Initial Claims	July 2001 - June 2002	448,806
	July 2002 - June 2003	466,365
	July 2003 - June 2004	347,884
	July 2004 - June 2005	313,629
	July 2005 - June 2006	299,975
Total Weeks Claimed	July 2001 - June 2002	2,806,119
	July 2002 - June 2003	3,069,388
	July 2003 - June 2004	2,437,820
	July 2004 - June 2005	2,129,960
	July 2005 - June 2006	1,515,302

7.1b-2 First Payment Timeliness: Payment should be made within 14 days of the first claim week-ending date after the waiting week has ended. The criterion for this measure is 87% of first payments being made timely.

First Payment Timelapse
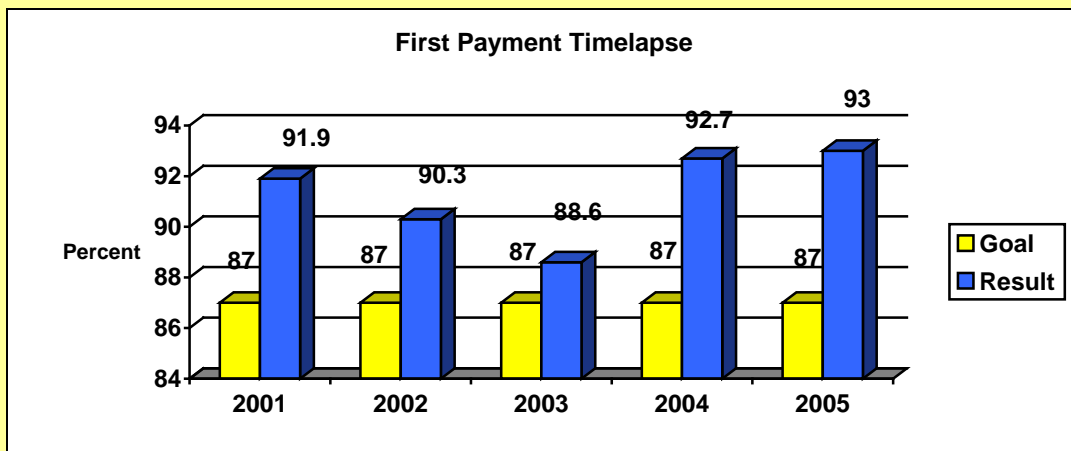
7.1b-3 Non-monetary Determination Timeliness: The eligibility determination should be made within 14 days of detecting an "issue" during a claim series (non-separation) and within 21 days for issues detected when the initial claim is filed (separation). "Issues" are anything that has potential to affect a claimant's past, present, or future benefits rights. The criterion is 80% of the issues will be handled within the 14 or 21 day time period.
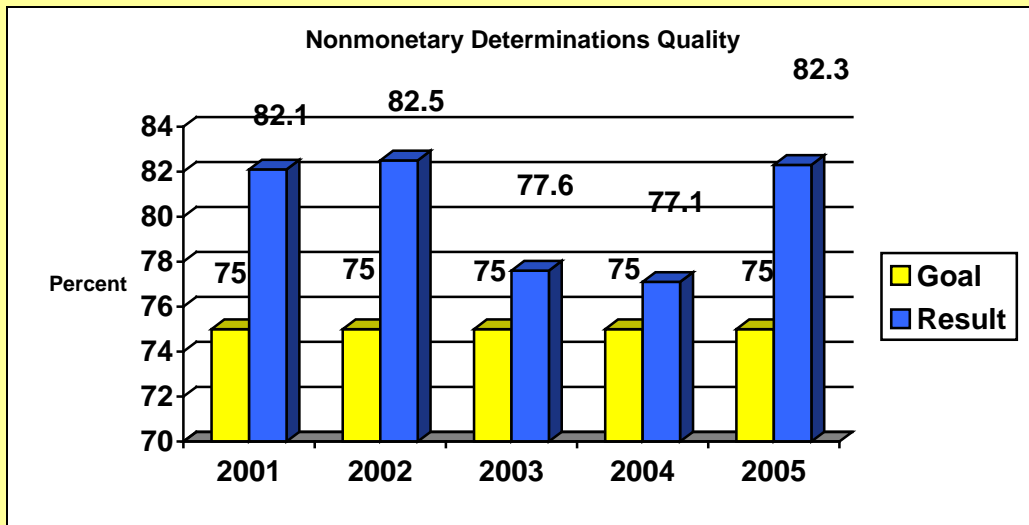
Nonmonetary Determination Timelapse
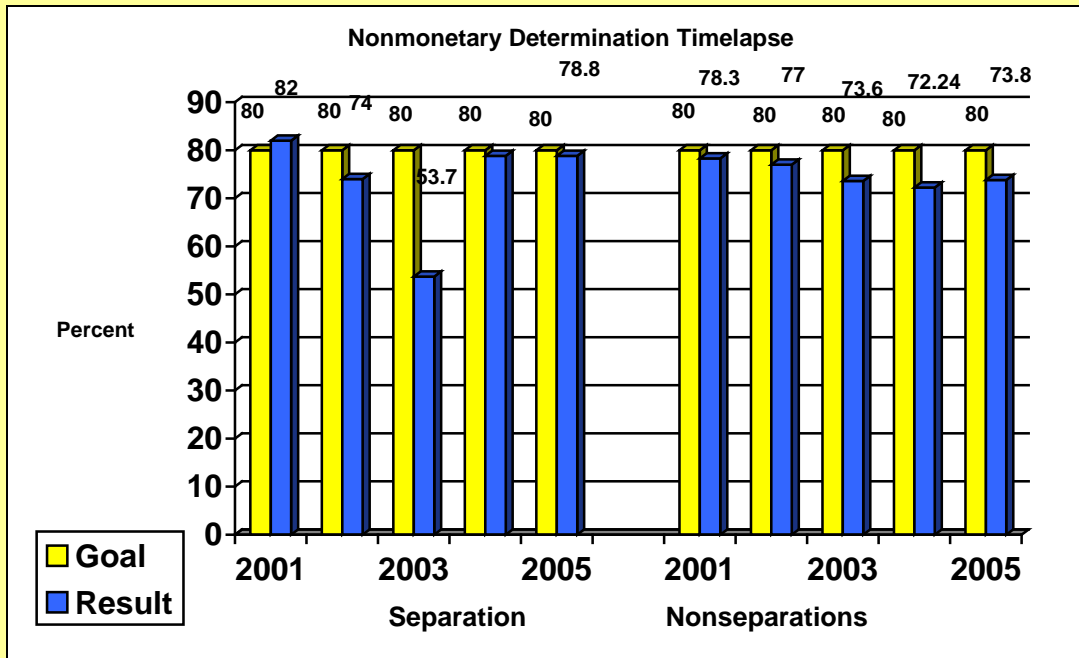
For Separation Determination Timeliness:
The 2001 S.C. score was the 18th highest in the country.
The 2002 S.C. score was the 22nd highest in the country.
The 2003 S.C. score was the 42nd highest in the country.
The 2004 S.C. score was the 28th highest in the country.
The 2005 S.C. score was the 13th highest in the country.

For Non-separations Determination Timeliness:
The 2001 S.C. score was the 16th highest in the country.
The 2002 S.C. score was the 15th highest in the country.
The 2003 S.C. score was the 22nd highest in the country.
The 2004 S.C. score was the 29th highest in the country.
The 2005 S.C. score was the 32nd highest in the country.

7.1b-4 Non-Monetary Determinations Quality: Samples of eligibility determinations are evaluated using federal guidelines to ensure proper decisions are made. The criterion for this is 75% of the evaluated determinations must score at least 80 points.

Nonmonetary Determinations Quality

Year	Goal	Result
2001	75	82.1
2002	75	82.5
2003	75	77.6
2004	75	77.1
2005	75	82.3

For Non-monetary Determinations Quality:
The 2001 S.C. score represented the 11th highest in the country.
The 2002 S.C. score represented the 12th highest in the country.
The 2003 S.C. score represented the 26th highest in the country.
The 2004 S.C. score represented the 23rd highest in the country.
The 2005 S.C. score represented the 44th highest in the country.

7.3 – Financial Performance

Agency Revenue 2005 - 2006

Other Operating	$	414,265
Contracts		6,636,589
Consortium Contracts		75,184
Training Session Fees		350
Contingency Assessment Fund		6,325,772
Child Support Intercept		4,881
Parking Fees		53,320
SCOIC Career Resource Network		179,377
WIA/Adult-Youth-Dislocated Worker		1,347,208
Reed Act Funds		3,341,169
Employment Services		10,547,507
Unemployment Insurance		30,934,600
Special Administration Fund		1,215,781
Disabled Veterans Outreach Program (DVOP)		1,329,838
Bureau of Labor Statistics (BLS)		1,243,078
ES Reimbursement Grant		63,061
Local Veterans Employment Representative (LVER)		1,782,832
North American Free Trade Agreement/Trade Adjustment Assistance - (NAFTA/TAA)		7,577,070
Welfare-to-Work		
State Appropriation		127,033
Reintegration of Homeless Veterans Into Labor Force		181,404
Disability Program Navigator		575,170
TOTAL	$	73,955,489

7.5 - Regulatory/Legal Compliance

The Legal Department employs three attorneys who represent the Commission and provide legal support and advice to the Agency's divisions. It also manages and oversees the Commission Appeals Unit and Lower Authority Appeals. These units are responsible for handling appeals in unemployment compensation cases.

The United States Department of Labor sets desired levels of achievement for handling appeals so that decisions on claimants' entitlement to unemployment compensation will be made in a timely manner after fair hearings that protect the parties' due process rights.

During the past five years the Lower Authority Appeals case load increased from eight to ten thousand annual cases (in FY 01) to over fourteen thousand annual cases (from FY 02 forward). Figure 7.5.1 shows the annual number of appeals received over the last five years during which the elevated numbers have continued.

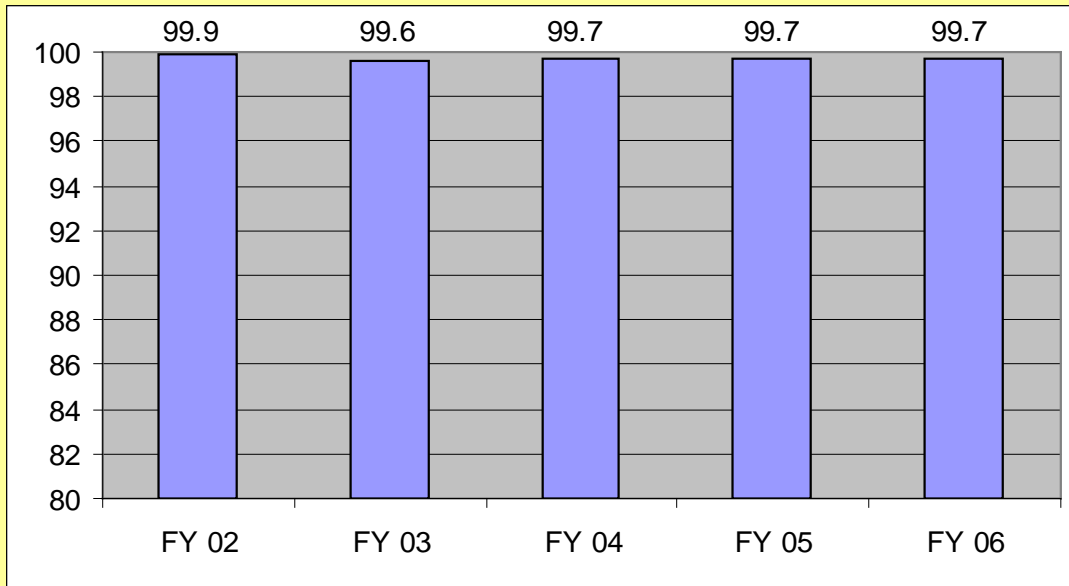## 7.5-1 Lower Authority Appeals Received
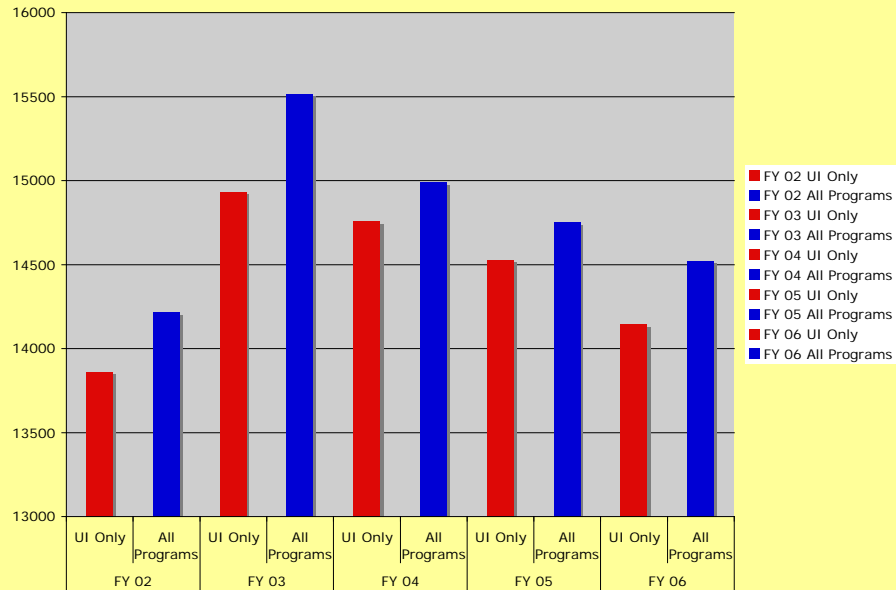
Timeliness - In spite of this dramatic increase (the five-year average is up 145% over FY 01), Lower Authority continues to lead Region III in issuing almost all of its decisions within thirty days. Figure 7.5.2 shows the number of decisions issued. Although the number is down from the peak of FY 03, it remains around 14,000 decisions issued annually, up from less than 10,000 decisions issued in FY 01.

7.5-2 Lower Authority Decisions Issued
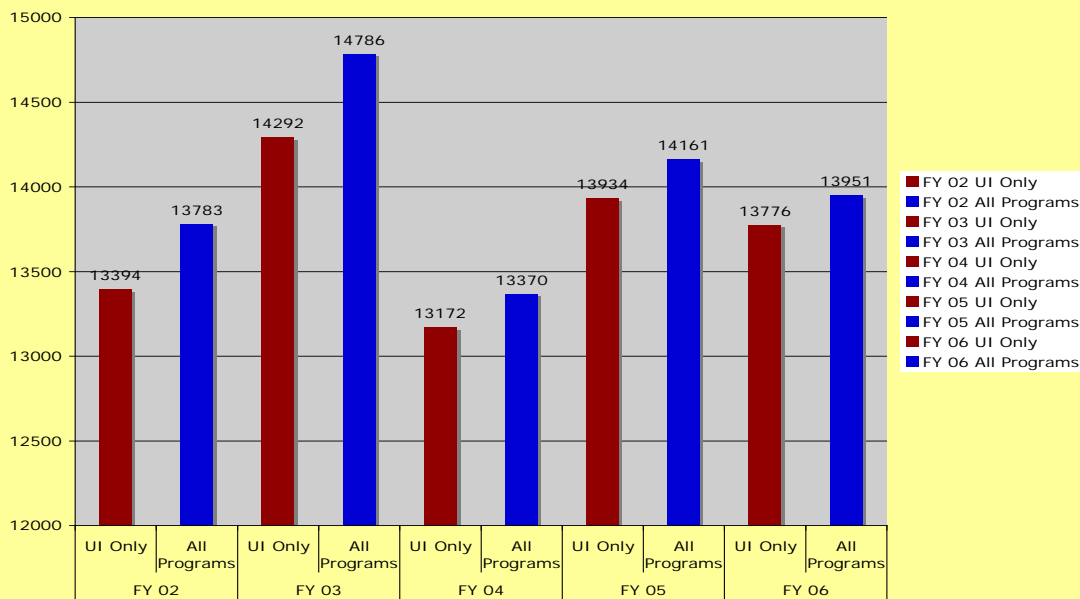
The Department of Labor's desired level of achievement is for 60% of decisions to be issued within 30 days of the appeal filed date and for 80% to be issued within 45 days of the appeal filed date. Figure 7.5.3 shows that Lower Authority Appeals has exceeded this goal.

7.5-3 Percentage of Lower Authority Decisions Issued Within 30 Days

The most recent regional numbers are for the period ending March 31, 2006. They show Lower Authority Appeals leading Region III in all the timeliness measures for decisions issued. (See Figure 7.5.4.)

**7.5-4 Timeliness of Lower Authority Decisions**
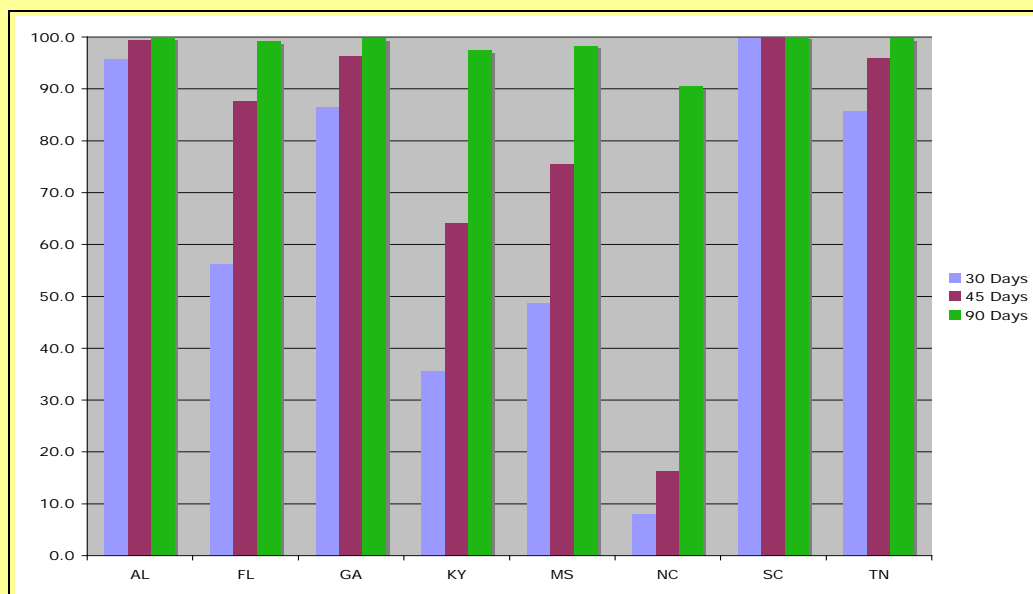
South Carolina reached 99.8% within 30 days, 99.9% within 45 days, and 100% within 90 days.

Quality Measures - The Department of Labor requires that 80% of appeals must pass with scores of at least 85%. Lower Authority has continued to score well on the quality measures. The Regional data for the period ending March 31, 2006, shows Lower Authority second in the Region in passing the due process measure, at 96.4%, and in the middle in overall quality, at 95.2%. Cases from the second quarter 2006 have not been evaluated.

Commission Appeals - Employers and claimants who are dissatisfied with the results of Lower Authority decisions have the legal right to appeal to the Commission. The Commission reviews each case on the basis of the record created before the hearing officers. However, the Commission, by law, is the Agency's final finder of fact. Therefore, not only can it reach different legal conclusions, it can also make its own assessment on the credibility and weight of the testimony and other evidence presented.

Workload - Since the number of cases heard and decided by Lower Authority Appeals remains high, the Commission workload is also elevated from less than 1,200 appeals received in FY 01 and is averaging almost 1,800 cases annually. This average for the five years after FY 01 shows an increase of over 150%, which is comparable to the increase experienced by Lower Authority Appeals. (See Figure 7.5.5.)

7.5-5 Commission Appeals Received
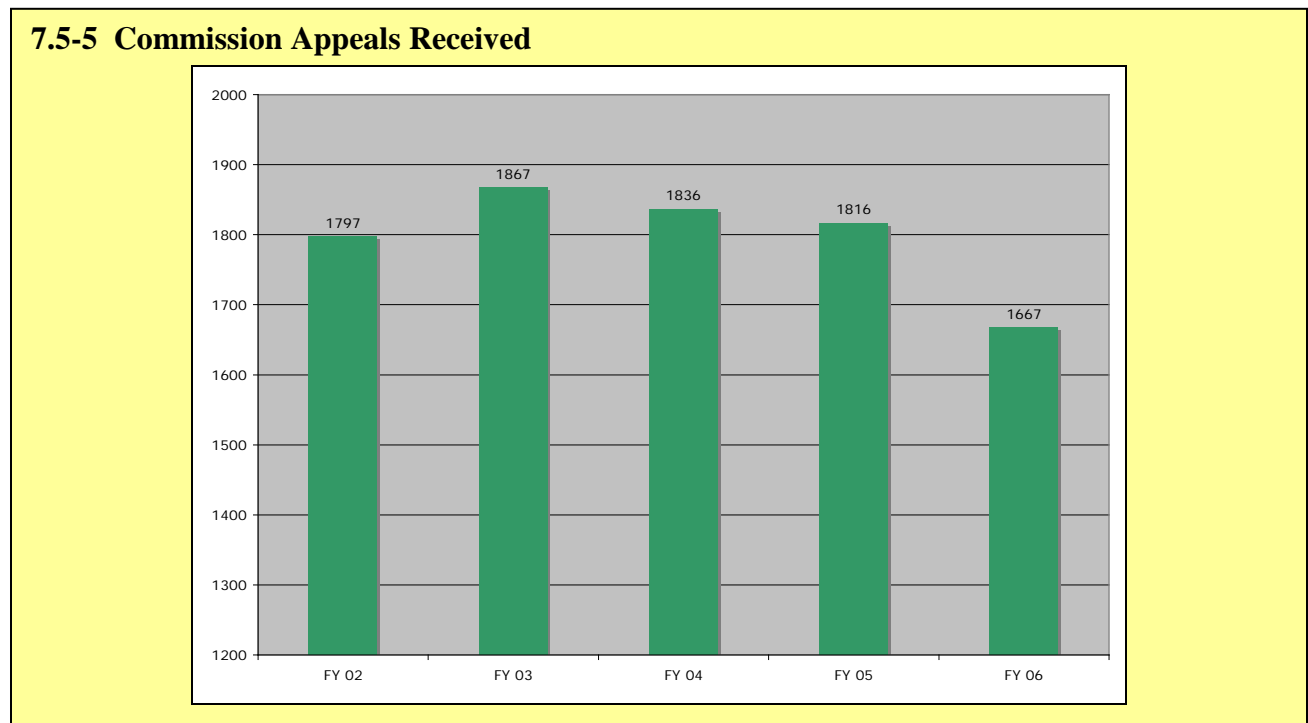
The increase in appeals received has a direct correlation to decisions issued and, likewise, (as shown in Figure 7.5.6.) is beginning to show a comparable decrease.

7.5-6 Commission Decisions Issued
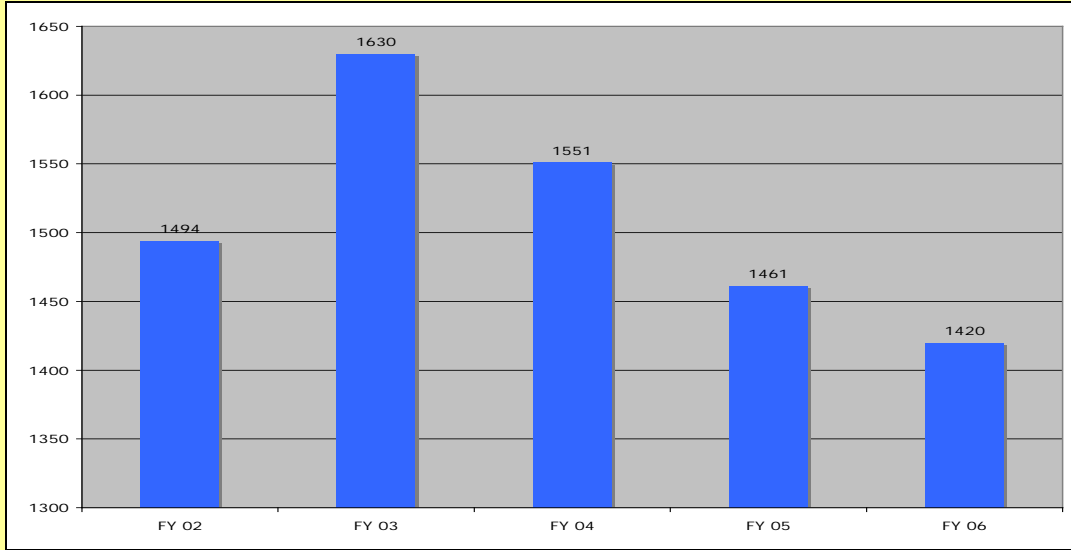
Commission Timeliness - To encourage prompt resolution of appeals, the Department of Labor sets the desired level of achievement for Higher Authority Appeals at 50% within 45 days and 80% within 75 days. As shown by Figure 7.5.7, we are not meeting those goals. For FY 06, we have issued 42.6% of decisions within 45 days, 54.4% of decisions within 75 days, and 89.8% within 150 days. In the Region we are last in each of these categories.

7.5.7 Commission Timeliness FY 06
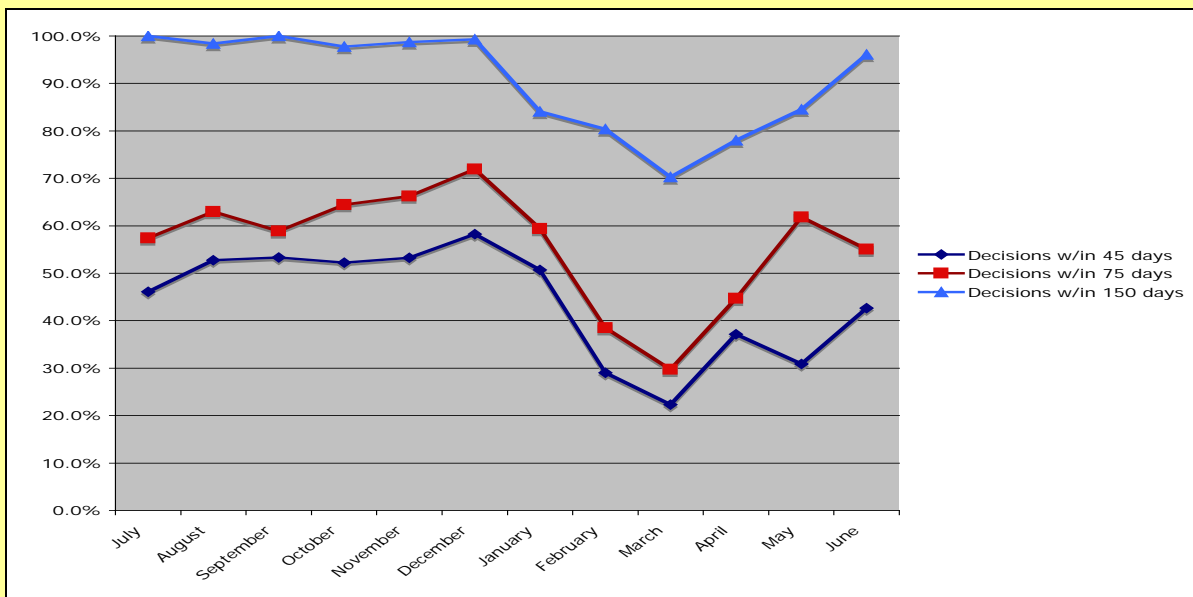
We anticipated this problem last year and contracted with an outside service to produce transcripts for Commission hearings. Although there were problems to overcome and adjustments that had to be made, we are now seeing some benefits of this decision. After the first of the year, the service had personnel problems that were not resolved until March, when we began to see improvement in the number of decisions issued.

In addition, we made the decision to attack the backlog of pending cases by working from the oldest cases first. That produced a set of decisions issued weighted toward the oldest cases. While that acted to worsen the appearance of the timeliness problem, it is the fairest for the employers and claimants involved. It will also put Commission Appeals on the soundest footing to reduce the overall age of pending cases.

Commission Appeals and Lower Authority Appeals continue to do a good job handling an elevated workload, dealing with staffing problems, and meeting the expectations of the Commissioners and our customers.