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Henry McMaster
Governor

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Executive Director

STATE INSTRUCTION NUMBER 25-17

To: Local Workforce Area Signatory Officials
Local Workforce Area Board Chairs
Local Workforce Area Administrators
DEW Area Directors
DEW Regional Managers

Subject: **Reallocation or Adjustment of SWDB Approved Funding**

Issuance Date: June 18, 2026

Effective Date: July 1, 2026

Purpose: To provide guidance on the reallocation or adjustment of State Workforce Development Board (SWDB)-approved funding by the Department of Employment and Workforce (DEW) staff.

References:

- Workforce Innovation and Opportunity Act (WIOA) §§ 101(d); 127(b)(1)(C); 128(a); 129(b)(3); 132(b)(1)(B); 132(b)(2)(B); 134(a)(3)(B)
- 20 CFR Part 682; 20 CFR Part 683, Subpart B; 20 CFR Part 679
- South Carolina WIOA Combined State Plan for 2024-2027
- SWDB Strategic Plan Priorities for 2024-2027

Background: Statewide employment and training activities are supported by funds reserved by the Governor under WIOA section 128(a). Funds reserved by the Governor for statewide workforce investment activities may be combined and used for any of the activities authorized in WIOA section 129(b) or 134(a), regardless of whether the funds were allotted through the WIOA Title I Adult, Dislocated Worker, or Youth funding streams.

The SWDB assists the Governor in the review of statewide policies, of statewide programs, and of recommendations on actions that should be taken to align workforce development programs in a manner that supports a comprehensive and streamlined workforce development system. This, in turn, assists in the development and continuous improvement of the workforce development system in South Carolina.

The SWDB retains 10% of the funds reserved by the Governor, set aside to incubate promising workforce development, education, and training models. Funding proposals are developed by DEW leadership staff and key stakeholders, based on the priorities identified in the WIOA State Plan and SWDB priorities. Proposals are presented to the SWDB for review, discussion, and approval. If the implementation costs exceed the requested funding allotment, requests for the necessary additional funds must be presented for approval at the following SWDB quarterly meeting.

This additional time requirement slows, or even stops, ongoing projects until the next funding request can be approved at a SWDB quarterly meeting.

Policy: In an effort to support ongoing SWDB projects and prevent interruptions in implementation of board directives, DEW may expend up to 10% above the approved amount for an ongoing board approved project without approval from the board. When these situations occur, DEW will inform the chairperson of the SWDB.

Additionally, the use of Governor's Reserve funds under \$10,000 does not require approval from the board. DEW may instead inform the SWDB chairperson of such funding requirements to assist in the progression of statewide employment and training activities.

The reallocation or adjustment of funds must follow all necessary, internal DEW approval practices and guidelines.

DEW will report on, give justification for, and answer any questions on all funding reallocations or adjustments to the SWDB and relevant SWDB committees. The full SWDB will receive an update on the reallocation or adjustment of funding at the quarterly meeting.

Action: Please ensure that all appropriate staff receive and understand this policy.

Inquiries: Questions may be directed to WorkforcePolicy@dew.sc.gov.

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