

Governor’s State Workforce Development Board
June 28, 2023, State Workforce Development Board Meeting Minutes

MEMBERS PRESENT:

Mr. Thomas Freeland	Mr. Jay Holloway
Mr. William Floyd	Ms. Felicia Johnson
Ms. Valerie Richardson	Mr. Mike King
Mr. Cliff Bourke, Jr.	Rep. Randy Ligon
Mr. Charles Brave, Jr	Ms. Elaine Morgan
Ms. Susan Cohen	Ms. Swati Patel
Col. Craig Currey	Mr. Tyler Servant
Ms. Darline Graham	Dr. Windsor Sherrill
Dr. Tim Hardee	Mr. Warren Snead

MEMBERS ABSENT:

Mr. Gregory C. Clark
Mr. Pat Michaels
Mr. Michael W. Sexton
Mr. H. Perry Shuping
Mr. Gregory L. Tinnell
Senator Ross Turner
Mr. John Uprichard

Welcome and Opening Remarks Mr. Thomas Freeland, SWDB Chair
Chairman Thomas Freeland called the meeting to order at 11:00 a.m. A quorum was present.

Chairman Freeland thanked the SC Hospital Association for allowing the State Workforce Development Board (SWDB) to use their facilities to host the 4th quarter meeting.

SC Hospital Association Welcome.....Mr. Edward Bender
Mr. Edward Bender, General Counsel for the SC Hospital Association, welcomed members and guests to the SC Hospital Association’s offices, providing an overview of the association’s programs and initiatives.

He discussed the H is for Hiring campaign to meet South Carolina’s hospital and healthcare workforce needs, the Be Something Amazing program, created to encourage students to consider the wide range of professions in healthcare and a pilot program where hospital nurses train to become clinical faculty instructors.

Approval of Meeting Minutes from March 29, 2023*Mr. Freeland
Col. Craig Currey motioned to approve the March 29, 2023, meeting minutes. Dr. Tim Hardee seconded the motion. The SWDB unanimously approved the meeting minutes.

Director’s ReportDirector William Floyd
Mr. William Floyd, Executive Director, SC Department of Employment and Workforce, presented the state’s employment situation, including the Labor Force Participation rate and current agency projects. His presentation covered the following points:

- South Carolina’s economy continues to be strong. As of May 2023, there are 95,569 more people employed than in February 2020.
- The preliminary Unemployment Rate for May 2023 is 3.1%. This rate is lower than neighboring states and the national unemployment rate of 3.7%. More than 104,900 jobs are posted in SCWOS, a net of 40,000 more jobs posted than pre-pandemic.
- South Carolina’s Labor Force Participation Rate is 56.5%, an increase of .2% from April 2023.

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Mr. Floyd presented the progress of DEW’s ongoing rural initiatives to make DEW and SC Works services accessible to jobseekers in Tier III and IV counties and underserved areas. Utilizing the SC Works Career Coach and partnering with local elected officials, stakeholders, vendors, and service providers, the SC@Work: Road Trips are mobile job fairs and community events that promote job opportunities and training available in rural areas. In May 2023, the Road Trips were attended by 233 job seekers, resulting in 40 potential hires and 163 follow-up interviews. Mr. Floyd reported that funding has been provided to purchase a second Career Coach to expand the Rural Initiative. Mr. Floyd advised that the SC@Work: Road Trips will have stops as part of the 2nd annual 2023 Workforce Development Month activities.

Mr. Floyd announced the SC@Work: 2023 Photo Contest, an initiative to celebrate hard work and dedication in South Carolina by showcasing "SC at work." Employers across the state will be asked to photograph their employees working and submit their entries to DEW. The winners will be announced at the 2023 Workforce Development Symposium in September as part of the 2nd Annual Workforce Development Month activities.

Participant Cost Rate (PCR) Recommendation*.....Mr. Zach Nickerson

Mr. Zach Nickerson, Director of Workforce Services, presented a recommendation to the Committee to revise the Participant Cost Rate (PCR) calculation to include salaries, fringe benefits, and indirect costs of staff working directly with participants. Staff working directly with participants is defined as staff providing or conducting eligibility certification, case management, workshops, or assessments. The current calculation evaluates program expenditures, including training and supportive services, but excludes staff salaries and operating expenses. If approved, the revised PCR calculation will include staff salaries, fringe benefits, and indirect costs and is expected to ensure sufficient staffing to serve customers, improve partner collaboration, and encourage local areas to seek non-WIOA formula funds to support innovation.

Chairman Freeland facilitated the discussion on the PCR recommendation. Mr. Nickerson explained that the requirement to have a 30% PCR will be reevaluated in Program Year 2024 to determine if any adjustments are necessary.

Mr. Charles Brave, Jr. motioned for the acceptance of the Participant Cost Rate (PCR) recommendation. Ms. Valerie Richardson seconded the motion, and the SWDB unanimously approved the PCR recommendation.

Request for Waiver Authority*Ms. Sheleena Rios

Ms. Sheleena Rios, Workforce Policy and Research Manager presented the Waiver of State Specific Requirements Authority request for Program Years 2022 and 2023. In accordance with State Instruction Letter (SIL) 21-05, DEW must obtain approval authority from the SWDB annually before approving or denying any waiver requests submitted by LWDA's. She reminded the board that failure to grant the authority would require each waiver request to be brought before the entire SWDB for approval.

Chairman Freeland facilitated a discussion on the waiver authority request, explaining that staff currently reviews waiver requests. The waiver is then presented to the appropriate committee, who is notified of the action taken. Mr. Nickerson provided the Pee Dee waiver request as an example

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of the types of waivers DEW has received, reminding the Board that the appropriate sub-committee is also informed of any action taken, denial, or approval, with explanations as to why.

Mr. Charles Brave, Jr. motioned to grant DEW authority to approve or deny any waiver requests submitted by LWDAs for Program Years 2022 and 2023. Col. Craig Currey seconded the motion, and SWDB unanimously approved the Request for Waiver Authority.

LWDA Subsequent Designation & LWDB Certification* Ms. Melissa Rodgers

Ms. Melissa Rodgers, Workforce Support Manager, presented on the subsequent designation of local workforce development areas and certification of local workforce development boards. She explained that WIOA requires the Governor in each state to designate local areas and certify local boards every two years. All 12 local areas submitted timely petitions. All local boards are compliant except one, but they have already submitted a Corrective Action Plan and will be compliant by June 30, 2023. Ms. Rodgers recommended approval of the LWDA Subsequent Designation and the LWDB Subsequent Certification petitions for all 12 areas for PYs 2022 and 2023.

Dr. Windsor Sherrill motioned to approve the LWDA Subsequent Designation and LWDB Certification for Program Years 2022 and 2023. Ms. Susan Cohen seconded the motion, and SWDB unanimously approved the LWDA Subsequent Designation & LWDB Certification.

Funding Recommendation* Ms. Nina Stagers

Ms. Nina Stagers, Assistant Executive Director of Workforce Development, presented a \$6.8M funding recommendation for PY’23, which included funding to support outreach, participant activities, and operational costs.

- *Workforce Development Month – \$33,100*: This funding will be used for promotion of the SC Works system during Workforce Development Month, the 2023 Workforce Development Symposium sponsorship fee, and awards for Workforce Heroes and Photo contest winners.
- *LWDA Training Funds – \$1,000,000*: This funding will be provided to LWDAs to provide in-demand training services that align with local area needs.
- *Workforce Innovation Funding – \$3,000,000*: Innovation funding will be awarded to LWDAs on a competitive basis to implement or scale effective strategies in partnership with local organizations for delivering workforce development resources in their local communities.
- *Planning and Development Funding – \$930,000*: In alignment with the state plan, LWDAs will develop and submit local and regional plans. The funding allocated for Planning and Development will enable LWDAs to secure resources to assist with local and regional planning and to support training and professional development of resource center staff.
- *Career Readiness/Soft Skills – \$418,500*: Starting June 19, 2023, the career readiness courseware, including soft skills and digital literacy, is available in 74 locations across the state. The additional funding will be used to expand the availability of courseware to

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additional locations, including technical colleges, Connection Points, and employer locations.

- *Targeted Outreach/SC Works Center Signage Refresh – \$449,700:* Outreach is a key component of any workforce strategy. Funding will support state-level outreach and promotion of SC Works system and workforce programs and refresh SC Works center signage. The local areas are responsible for procuring signage per their area's guidelines.
- *Statewide Operating Costs – \$1,005,662:* It is recommended that the SWDB increase its investment to support maintenance costs for the Wagner Peyser program. The WIOA and Wagner Peyser programs are the largest users of the SC Works Online Services system. The costs associated with Wagner Peyser support the state's labor exchange, which currently lists 100,000 jobs. Other operating costs include Performance and Reporting staff that collect and report performance data to the US Department of Labor for six federal programs, the annual Blanket Accident Insurance policy renewal, and participation in national organizations such as the National Governors Association.

Chairman Freeland opened the floor for questions and discussion. Ms. Stagers explained that the funding request did not include new staff, advising that the carry-in amount of \$3.9M was higher than usual.

Ms. Valerie Richardson motioned to accept the funding recommendation, Mr. Jay Holloway seconded the motion, and SWDB unanimously approved the funding recommendation.

Legislative UpdatesMs. Ellen Andrews-Morgan
Ms. Ellen Andrews-Morgan, Director of Governmental Affairs, provided a legislative update highlighting relevant activity.

Ms. Andrews-Morgan reviewed the Statewide Education and Workforce Development Act (Act No. 67 of 2023) and its goal to coordinate, align, and enhance workforce development services. Act 67 created a new Office of Statewide Workforce Development within DEW, transferring the workforce development responsibilities of the Department of Commerce to DEW and adding new members to the Coordinating Council for Workforce Development, including the Chairman of the State Workforce Development Board. The FY 2023-2024 budget included fifteen full-time employees to address obstacles unique to rural areas, recurring funding for the Be Pro/Be Proud program, promoting opportunities in the skilled/vocational trades, and extended funds to expand GED incentives to all adults.

Additional legislation passed during the current session includes:

- *Lead Apprenticeship Agency* – Establishes the State Board of Technical and Comprehensive Education as the lead agency for facilitating U.S. DOL Registered Apprenticeships.
- *LIFEScholarship Retention* – Protects students from losing LIFE Scholarships based on dual enrollment grade.
- *Career Readiness Assessments* – Requires the Education Oversight Committee and State Board of Education to create a waiver for districts and high schools to request an exception

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from reporting FY 2022-2023 career readiness performance from students taking the assessment a second time.

- *Barriers: Youthful Offender Expungement Eligibility Act No. 73 of 2023* – Allows for expungement of convictions from youth’s records for driving under suspension and convictions for disturbing school before May 17, 2018, and have not been convicted of any other offenses for 5 years prior to expungement.
- *Barriers: Earn and Learn Act No. 13 of 2023* – Professional or Occupational board may not deny a license solely based on a prior criminal conviction unless it directly relates to the duties, responsibilities, or fitness of the occupation or profession.
- *Workforce Housing Act No. 57 of 2023* – Allows local governments to use for the development of workforce housing. S.739 – Housing Credits is a one-time authorization of \$29.8M SC Housing Tax Credits and up to \$25M from SC Housing Trust Fund with SC Housing to develop a plan to allocate the funding as supplemental support for multi-family housing projects.

Workforce development will continue to be a key priority in 2023, with bills reviewed during the first session around education and workforce readiness, apprenticeship tax credits, and the maximum duration of unemployment benefits.

Education and Workforce Act..... Mr. Charles Appleby

Mr. Charles Appleby, Senior Advisor, Coordinating Council for Workforce Development (CCWD), provided an overview of the Statewide Education and Workforce Act, reviewing the Office of Statewide Workforce Development and the organizational structure and responsibilities of the CCWD and its impact on the State.

The newly formed Office of Statewide Workforce Development (OSWD) will be housed at DEW, and the Governor will appoint an Executive Director. The OSWD will oversee the CCWD, provide centralized oversight of all publicly funded workforce development in the State and Regional Workforce Advisors (RWAs), and submit annual statewide workforce funding reports.

The CCWD Chair changes from the Secretary of Commerce to the Director of the Department of Employment and Workforce (DEW). The new chair will be responsible for monitoring implementation, reviewing performance, and meeting executive committee member duties, including annually reporting CCWD actions, legislative recommendations, and compliance with the Unified State Plan (USP).

The full CCWD is responsible for collaborating and sharing information among all agencies and partners, developing a Unified State Plan and metrics, creating a dashboard for the public to monitor and track progress, overseeing the 25+ projects the legislature recommends for inclusion in the USP and performing additional duties under the direction of the CCWD Chair.

Mr. Appleby announced the new reporting guidelines for employers. Beginning in March 2024, all employers will be required to report Standard Occupational Classification (SOC) codes. The SOC system is a federal statistical standard used to classify workers into the specific category that best matches their job, resulting in better tracking of actual occupations. The SOC codes will allow the workforce system to better plan for future training and career pathways growth.

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Other Business/Adjourn.....Mr. Freeland
Chairman Freeland recognized and welcomed new SWDB members: Dr. Tim Hardee, Ms. Elaine Morgan, Ms. Swati Patel, Mr. Tyler Servant, and Rep. Randy Ligon. He reminded members that in lieu of a first quarter meeting during PY’2023, members are encouraged to attend the 2023 Workforce Development Symposium at Williams-Brice Stadium on September 19, 2023.

Director Floyd asked members to take and submit photos for the SC@Work: Photo Contest.

The meeting adjourned at 1:00 p.m.

APPROVED