

Governor’s State Workforce Development Board
December 14, 2022 State Workforce Development Board Meeting Minutes

MEMBERS PRESENT:

Mr. Thomas Freeland	Mr. Jay Holloway
Ms. Valerie Richardson	Ms. Felicia Johnson
Mr. Dan Ellzey	Mr. Mike King
Mr. Cliff Bourke, Jr.	Mr. Pat Michaels
Mr. Charles Brave, Jr.	Mr. Michael Sexton
Mr. Gregory Clark	Dr. Windsor Sherrill
Ms. Susan Cohen	Mr. Warren Snead
Col. Craig Currey	Mr. Gregory Tinnell
Ms. Darline Graham	

MEMBERS ABSENT:

Mr. H. Perry Shuping
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.

Approval of Minutes from September 28, 2022* Mr. Freeland
Mr. Charles Brave, Jr. motioned to approve the September 28, 2022, meeting minutes. The motion was seconded by Mr. Jay Holloway and unanimously approved by the SWDB.

Director’s Report Director Dan Ellzey
Mr. Dan Ellzey, SC Department of Employment and Workforce Executive Director, presented the state’s employment situation, including quit and hire rates, the labor force participation rate, and occupational growth. His presentation covered the following points:

- South Carolina’s economy continues to be strong. As of October 2022, there are 58,485 more people employed than in February 2020. There are approximately 11,000 more unemployed individuals than pre-pandemic; however, the 11,000 unemployed are not drawing unemployment benefits.
- The preliminary Unemployment Rate for October 2022 is 3.3%. This rate is lower than the US average unemployment rate of 3.7%. More than 100,600 jobs are posted in SCWOS, a net of 36,000 more jobs posted than pre-pandemic.
- Mr. Ellzey discussed “quiet quitting” or the “great resignation.” South Carolina’s quit rate for July 2022 was 3.6%. The percentage of people being hired is 5.1%. The state’s hire rate is above the national average of 4.2%, indicating that people are quitting to move to new jobs.
- South Carolina’s labor force participation rate is 56.7%.

Mr. Ellzey explained that healthcare support and transportation occupations experienced the highest growth from May 2016 to May 2021, at 35.9% and 40.3%, respectively. Projected occupational growth through 2030 shows healthcare support at the top.

Labor Force Participation Taskforce..... Dr. Bryan Grady/Dr. Erica Von Nessen
Dr. Bryan Grady, Labor Market Information Director, and Dr. Erica Von Nessen, Senior Economist, shared the Labor Force Participation Taskforce survey and research results.

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Dr. Grady shared the results of the Labor Force Participation Rate Survey, deployed by email to over 150,000 individuals who were present in DEW's UI wage records in 2019, filed a claim UI claim in 2020, but was not present in wage data in 2021. The survey examined how many of these individuals had dropped out of the labor force, their reason for doing so, and how they might be convinced to return. Of the 6,116 responses:

- 46% of respondents are currently working in some capacity (UI wage records do not include contractors or sole proprietors)
- 26% of respondents are individuals who are not available to work (i.e., students, retirees, those with disability or health issues)
- 28% of respondents are not working but are available to work

Certain groups were more likely to report that they were not working but available to work:

- Black/African American: 32 percent
- Aged 54 or younger: 33 percent
- Less than college degree: 31 percent
- Living in Tier IV counties: 37 percent

The top five reported barriers to labor force participation are low-pay jobs, health, gaps in employment history, lack of transportation, and optimal hours not available. Lack of transportation is the top barrier reported among respondents living in a Tier IV county, followed by low pay jobs.

The survey results suggest several policy areas that can improve labor force participation:

- Improved communication about relevant job opportunities
- Increased availability of childcare and rural transportation
- Enhanced accommodations for persons with health issues
- Facilitating more flexible working conditions where possible

Dr. Von Nessen shared the findings of the research study performed by Chmura. The study covered a literature review, decomposition analysis, regional and industry analysis, and policy and strategy implications.

- Factors found to impact labor force participation negatively: Aging population, young adults ages 16-24 spending more time on school, increased use of opioids and higher rates of disability, increased globalization moving low-skilled manufacturing jobs overseas, and improvements in video game technology raising the value of leisure over work.
- Possible policy recommendations include:
 - Provide higher-paying jobs, which will likely improve labor force participation across regions and demographic groups.
 - Older workers:
 - Develop job placement programs designed for this population
 - Dedicate staff at the workforce centers to assist these workers
 - Encourage self-employment and update skills to transfer to new jobs
 - Workers with disabilities:
 - Adopt framework of employment as first and preferred option
 - Incentivize private sector employment for businesses employing or owned by workers with disabilities.
 - Young adults:

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- Strengthen career-related content in middle and high school while encouraging employers to offer quality paid internships and job shadowing and providing support for summer youth employment programs.
- Formerly incarcerated individuals:
 - Remove overly-restrictive hiring and occupational licensing policies for formerly incarcerated people.
 - Assist jobseekers with explaining gaps in employment history.
- Rural workers:
 - Encourage programs to address the transportation barrier experienced in rural counties.
- Workers in declining industries:
 - Build programs to help workers transfer skills to growing industries
 - Attract employers to an area based on skill availability of residents
- Caregivers:
 - Encourage private sector employers to offer more family-friendly policies, including flexible work schedules, paid family leave, and childcare vouchers.

Task Force meeting materials and research products are available online at <https://www.dew.sc.gov/taskforce>.

Governmental Affairs.....Ms. Ellen Andrews-Morgan

Ms. Ellen Andrews-Morgan, Director of Governmental Affairs, provided a legislative update highlighting relevant workforce, education, and economic development activity. The top areas of interest for the current legislative sessions are workforce, tax reforms, and education.

Ms. Andrews-Morgan reviewed the results of the 2022 election cycle: the House of Representatives has 27 new members, with the Republican Party maintaining a supermajority. New House leadership includes Murrell Smith, Speaker of the House, David Hyatt, Majority Leader, and Roger Kirby, Assistant Minority Leader.

The Speaker of the House has appointed an Ad Hoc Committee on Economic Development and Utility Modernization. The Ad Hoc Committee will focus on attracting and retaining businesses, capitalizing on federal funding, accelerating infrastructure, transportation electrification, and establishing a domestic supply chain. The committee has heard testimony from utilities, the SC Department of Commerce, and other workforce partners about workforce development issues and solutions to address them.

Workforce Development is expected to be a key priority in 2023; approximately 40 prefiled bills are workforce related. The general themes are how to address barriers to employment, including credit history, criminal history, and helping promote individuals with disabilities in the workplace. Additional themes include workforce childcare and transportation, apprenticeship, and enhanced coordination among workforce partners.

Ms. Andrews-Morgan noted that the next General Assembly would convene on January 10, 2023, at 12 p.m.

Other Business/Adjourn.....Mr. Freeland

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Chairman Freeland recognized the resignation of Representative Joe Daning. Representative Daning was appointed to the Board in December 2020 and served until his retirement in November 2022 from the SC House of Representatives. A U.S. Air Force Veteran, Representative Daning strongly supported Veteran workforce development programs and championed apprenticeship programs.

Chairman Freeland also recognized Director Dan Ellzey for his recognition by the SC Council of Governments as the Governmental Partner of the Year. The award was presented at the SC COGs Annual Conference in November 2022.

Chairman Freeland advised board members and guests that the PY'21 WIOA Annual Performance Report Narrative is available in the SWDB Portal and on the SC Works website to review. Mr. Freeland reminded SWDB members that the Annual Ethics Training would be on January 27, 2023, at 9:30 a.m. The 3rd quarter meeting is on March 29, 2023, at 11:00 a.m.

Mr. Freeland adjourned the meeting at 12:10 p.m.