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System President

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Montez C. Martin, Jr.
At-Large

Roger P. Schrum
At-Large

Matthew L. Yaun
At-Large

Molly M. Spearman
Ex Officio

Robert M. Hitt III
Ex Officio

TO: Governor Henry McMaster,
The Honorable G. Murrell Smith, Jr., Chairman of House Ways and Means Committee
The Honorable Hugh K. Leatherman, Sr., Chairman of Senate Finance Committee
Robert M. Hitt III, Secretary of Department of Commerce
Chairman, SC Coordinating Council for Economic Development
W. Hartley Powell, Director, SC Department of Revenue, Chairman
Coordinating Council Enterprise Committee

FROM: Bradly R. Neese, VP Division of Economic
Development State Board for Technical and
Comprehensive Education

DATE: November 15, 2020

SUBJECT: 2019 Legislative Annual Report, Enterprise Zone Retraining Program

On behalf of the State Board for Technical and Comprehensive Education, I am pleased to submit the Enterprise Zone Retraining Program 2019 Legislative Annual Report. In accordance with Sections 12-10-105 of the Enterprise Zone Act of 1995, this report details activities of the Enterprise Zone Retraining Program managed by the State Board for Technical and Comprehensive Education.

Please call me at 803-896-5376 should you have questions or need additional information.

Cc: Gregg B. Askins, Chairman, State Board for Technical and Comprehensive Education,
Tim Hardee, System President, South Carolina Technical College System

Enclosure





SC State Board for Technical and Comprehensive Education
Enterprise Zone Retraining Program
2019 Legislative
Annual Report

November 2020

2019 SBTCE BOARD MEMBERS

(Membership at the end of 2019)

Gregory B. Askins	<i>Chairman, Sixth Congressional District</i>
Warren L. Helm	<i>First Congressional District</i>
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Montez C. Martin, Jr	<i>At-Large Member</i>
Roger P. Schrum	<i>At-Large Member</i>
Matthew L. Yaun	<i>At-Large Member</i>
Molly Spearman	<i>Ex-Officio Member, SC Superintendent of Education</i>
Robert M. Hitt, III	<i>Ex-Officio Member, SC Secretary of Commerce</i>

SBTCE STAFF (end of 2019)

Dr. Tim Hardee	Technical College System President, SBTCE
Dr. Hope Rivers	Executive VP, SC Technical College System
Brad Neese	VP Economic Development Division
Michelle Fehr	Enterprise Zone Retraining State Program Manager
Takeisha Williams	Enterprise Zone Retraining State Team Member

ENTERPRISE ZONE RETRAINING PROGRAM OVERVIEW

South Carolina's existing industry must remain competitive and profitable in order to avoid a loss of jobs to other states and countries. To assist with this, the Enterprise Act of 1995 provides a retraining tax incentive for existing industry. The Enterprise Zone Retraining Program provides a tax refund to qualified companies when they retrain certain employees on newly installed equipment, newly introduced technology, or safety refreshers, to help ensure the company can remain competitive.

The retraining must be approved by, performed and/or administered by the technical college under the jurisdiction of the State Board for Technical and Comprehensive Education (SBTCE) serving the designated Enterprise Zone. The technical college may deliver the retraining directly; contract with other training entities to accomplish the required training outcomes; or supervise the employer's approved internal training programs.

The training incentive applies to full-time production or technology first line employees or immediate supervisors who have been continuously employed by the business for a minimum of two (2) years. A "production employee" is defined as an employee "directly engaged in manufacturing or processing, at a manufacturing and processing facility." [Section 12-10-30(14)] A technology employee is defined as an "employee at a technology intensive facility who is directly engaged in the design, development and introduction of new products or innovative manufacturing processes, or both, through the systematic application of scientific and technical knowledge at a technology intensive facility."

The 2014 revisions to the Enterprise Zone Act of 1995 allows qualified businesses to recoup \$1.00 for every \$1.50 of eligible training costs spent for retraining eligible employees. The refund cannot exceed \$1,000 per production employee or technology employee per year, or exceed \$5,000 over 5 years.

SBTCE RESPONSIBILITIES AND OVERSIGHT

It is the policy of the State Board for Technical and Comprehensive Education to administer and approve training plans for the Enterprise Zone Retraining Program. The State Board has established policies and procedures to provide oversight and specific program details for the Enterprise Zone Retraining Program. All projects must apply to the State Board with the

assistance of the technical college within the appropriate service area. Prior to submitting the application to the State Board for approval, applicants must work with the technical college within the service area to develop a specific training plan. The technical college will assist the company in developing a comprehensive, multi-year training plan that will meet State Board approval. The State Board delegates to the State Board staff the review and approval of all Job Retraining applications as long as the retraining is consistent with legislation and the State Board's policies. Approvals are reported to the State Board for ratification at the subsequent State Board meeting.

2019 ACCOMPLISHMENTS

During the 2019 calendar year, 24 companies applied for and were approved for the Job Retraining Credit. These companies are projected to retrain 12,981 employees.

The SBTCE reviewed and approved 612 Retraining Courses throughout 2019.

ACTIVITY SUMMARY FOR 2019

Enterprise Zone Retraining Program 2019 Project Approvals	
Number of Retraining Agreements	24
Number of Eligible Employees to be Retrained	12,981

**ENTERPRISE ZONE RETRAINING PROGRAM 5-YEAR RETRAINING AGREEMENTS
2019 CALENDAR YEAR APPROVALS**

Company Name	County	Employees Eligible to be Retrained Each Year During 5-Year Agreement
Argos Cement	Dorchester	80
Ascend Performance Materials	Greenwood	314
Borg Warner	Oconee	772
Alumax of South Carolina	Berkeley	196
CompX	Greenville	186
Cryovac - Sealed Air Corporation	Greenville	1,400
Domtar Paper Company LLC	Marlboro	290
Greenwood Mills	Greenwood	290
Ingevity, SC LLC	Charleston	135
Itron, Inc.	Oconee	425
McCall Farms	Florence	1,047
Michelin North America, Inc. - Greenville	Greenville	1,100
Michelin Tire - Sandy Springs US 2	Anderson	700
Michelin Tire-Lexington US 5	Lexington	1,400
Michelin Tire-Spartanburg US 3	Spartanburg	1,000
Milliken & Company - Johnston Plant	Edgefield	154
Milliken & Company-Dewey Plant	Spartanburg	117
Nan Ya Plastics Corp America	Florence	723
New-Indy Containerboard	York	360
Owens Corning - Starr	Anderson	185
Schaeffler Group	York	504
Sonoco Products Company	Darlington	600
VTL Precision, Inc.	Charleston	56
Westinghouse Electric Co LLC	Richland	947