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Harry M. Lightsey III
Ex Officio



TO: Governor Henry McMaster
The Honorable Bruce W. Bannister, Chairman of House Ways and Means Committee
The Honorable Harvey S. Peeler, Jr., Chairman of Senate Finance Committee
Harry M. Lightsey, 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, 2023

SUBJECT: 2022 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 2022 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: Roger P. Schrum, 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
2022 Legislative
Annual Report

November 2023

2022 SBTCE BOARD MEMBERS

(Membership at the end of 2022)

Roger P. Schrum	<i>Chairman, At-Large Member</i>
Terry A. Hardesty	<i>First Congressional District</i>
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Anthony G. Barker	<i>Third Congressional District</i>
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Warren Adams Darby, Jr.	<i>At-Large Member</i>
Carolyn Swinton	<i>At-Large Member</i>
Orville Stanley "Chip" Smith, III	<i>At-Large Member</i>
Molly Spearman	<i>Ex-Officio Member, SC Superintendent of Education</i>
Harry M. Lightsey, III	<i>Ex-Officio Member, SC Secretary of Commerce</i>

SBTCE STAFF (end of 2022)

Dr. Tim Hardee	President, SC Technical College System
Brad Neese	VP, Economic Development Division
Amanda Richardson	Senior Workforce and Special Projects Manager, Economic Development Division
Karmen Hewitt	Enterprise Zone State Program Manager
Takeisha Williams	Enterprise Zone State Data Coordinator

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.

2022 ACCOMPLISHMENTS

During the 2022 calendar year, 10 companies applied for and were approved for the Job Retraining Credit. These companies are projected to retrain 9,098 employees.

The SBTCE reviewed and approved 117 Retraining Courses throughout 2022.

ACTIVITY SUMMARY FOR 2022

Enterprise Zone Retraining Program 2022 Project Approvals	
Number of Retraining Agreements	10
Number of Eligible Employees to be Retrained	9,098

**ENTERPRISE ZONE RETRAINING PROGRAM 5-YEAR RETRAINING AGREEMENTS
2022 CALENDAR YEAR APPROVALS**

Company Name	County	Employees Eligible to be Retrained Each Year During 5-Year Agreement
Otis Elevator Company	Florence	250
Lockheed Martin Logistics Services, Inc.	Greenville	800
Halocarbon, LLC	Aiken	21
Halocarbon Life Sciences, LLC	Aiken	120
Milliken & Company - Gerrish Plant	Anderson	123
BMW Manufacturing Co.	Spartanburg	7500
BAE Systems	Aiken	157
ARC Products Global LLC	Spartanburg	12
RANN Products	Greenville	40
FSC Cutting Tool Technology LLC	Greenville	75