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, 2019

SUBJECT: 2018 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 2018 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
2018 SBTCE BOARD MEMBERS
(Membership at the end of 2018)

Ralph A. Odom, Jr.  
Warren L. Helm  
Robert E. Barnett  
Charles G. Wilson  
Stephen J. Burry  
Gregory B. Askins  
Philip G. Homan  
Gwendolyn A. Bright  
Montez C. Martin, Jr  
Matthew L. Yaun  
Roger P. Schrum  
Robert M. Hitt, III  
Molly Spearman

Chairman, Fifth Congressional District
Vice Chairman, First Congressional District
Second Congressional District
Third Congressional District
Fourth Congressional District
Sixth Congressional District
Seventh Congressional District
At-Large Member
At-Large Member
At-Large Member
At-Large Member
Ex-Officio Member, SC Secretary of Commerce
Ex-Officio Member, SC Superintendent of Education

SBTCE STAFF (end of 2018)

Dr. Tim Hardee  
Dr. Hope Rivers  
Susan Pretulak  
Brad Neese  
Michelle Fehr

Technical College System President, SBTCE
Executive VP, SC Technical College System
VP Economic Development Division
Assoc. VP Economic & Workforce Development
Enterprise Zone Retraining Program Manager
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.

### 2018 ACCOMPLISHMENTS

During the 2018 calendar year, 9 companies applied for and were approved for the Job Retraining Credit. These companies are projected to retrain 1639 employees on the facility’s new equipment, new processes, or new technology, and safety refreshers.

The SBTCE reviewed and approved 147 Retraining Courses throughout 2018.

### ACTIVITY SUMMARY FOR 2018

<table>
<thead>
<tr>
<th>Enterprise Zone Retraining Program</th>
<th>2018 Project Approvals</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of Retraining Agreements</td>
<td>9</td>
</tr>
<tr>
<td>Number of Eligible Employees to be Retrained</td>
<td>1639</td>
</tr>
<tr>
<td>Company Name</td>
<td>County</td>
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<tr>
<td>-----------------------------------------------------------------------------</td>
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<tr>
<td>Alltrista Plastics, LLC (Jarden Plastics Solutions)</td>
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<td>Georgia Pacific Consumer Operations, LLC - Darlington Plant</td>
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<td>AGY Aiken LLC</td>
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