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System President

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Molly M. Spearman
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Robert M. Hitt III
Ex Officio

TO: The Honorable Henry McMaster, Governor of South Carolina
The Honorable Brian White, Chairman, House Ways and Means
Committee
The Honorable Hugh Leatherman, Chairman, Senate Finance
Committee
Robert M. Hitt III, Secretary of Commerce &
Chairman, SC Coordinating Council for Economic Development
W. Hartley Powell, Director, SC Department of Revenue &
Chairman, Coordinating Council Enterprise Committee

FROM: Susan E. Pretulak, VP Division of
Economic Development State Board for
Technical and Comprehensive Education

DATE: November 15, 2018

SUBJECT: 2017 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 2017 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 803-896-5276 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
2017 Annual Report

November 2018

2017 SBTCE BOARD MEMBERS

(Membership at the end of 2017)

Ralph A. Odom, Jr.	<i>Chairman, Fifth Congressional District</i>
Warren L. Helm	<i>Vice Chairman, First Congressional District</i>
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Gwendolyn A. Bright	<i>At-Large Member</i>
Montez C. Martin, Jr	<i>At-Large Member</i>
Matthew L. Yaun	<i>At-Large Member</i>
Roger P. Schrum	<i>At-Large Member</i>
Robert M. Hitt, III	<i>Ex-Officio Member, SC Secretary of Commerce</i>
Molly Spearman	<i>Ex-Officio Member, SC Superintendent of Education</i>

SBTCE STAFF

Dr. Tim Hardee	Technical College System President, SBTCE
Dr. Hope Rivers	Executive VP, SC Technical College System
Susan Pretulak	VP Economic Development Division
Brad Neese	Assoc. VP Economic & Workforce Development
Larry Lindsey	Enterprise Zone Retraining Program Manager
Michelle Fehr	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 incentive for existing industry. The Enterprise Zone Retraining Program provides a tax credit to assist qualified companies in retraining their employees to ensure the company can remain competitive or introduce new technologies. To "remain competitive" means specific training that will have a documented end such as increasing the efficiency factor, gaining new skills, enhancing the skills of employees to take existing equipment to a higher productivity level, acquiring new equipment, or implementing new products or processes.

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 "that is directly engaged in the actual making of tangible personal property or is directly involved in the manufacturing and processing facility." [Section 12-10-30(14)] A "production employee" includes the production line employees, first-line supervisors, and equipment/maintenance technicians. 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 one dollar for every one dollar fifty cents of eligible training costs for retraining eligible employees. The training rebate cannot exceed \$1,000 per "production" employee or technology employee per year, or exceed \$5,000 for 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 the State Board's policies. Approvals are reported to the State Board for ratification at the subsequent State Board meeting.

2017 ACCOMPLISHMENTS

During the 2017 calendar year, 23 companies applied for and were approved for the Job Retraining Credit. These companies are projected to retrain 4583 employees.

The SBTCE reviewed and approved 356 Course Additions for our participating companies.

ACTIVITY SUMMARY FOR 2017

Enterprise Zone Retraining Program 2017 Project Approvals	
Number of Retraining Agreements	23
Eligible Employees to be Retrained (over 5 years)	4583

**ENTERPRISE ZONE RETRAINING PROGRAM
5-YEAR RETRAINING AGREEMENTS
2017 CALENDAR YEAR APPROVALS**

Company Name	County	Employees Eligible to be Retrained During 5-Year Agreement
Akebono Brake Corporation	Lexington	400
BAE Systems, LP	Aiken	52
Beneteau Groupe/BGM America, Inc.	Marion	104
Benteler Automotive	Spartanburg	125
Bosch Rexroth Corporation	Greenville	733
Centerline Engineered Solutions (KSC)	Greenwood	11
Confluence Outdoor	Spartanburg	100
Devro, Inc.	Greenville	239
Eaton Corporation-Sumter Plant	Calhoun	215
GSE Lining, LLC	Sumter	750
Milliken & Company-Gerrish Plant	Williamsburg	35
Morcon, Inc.	Anderson	123
MTU America Inc.	Chester	60
Orian Rugs, Inc.	Aiken	60
Pharmaceutical Associates Inc.	Anderson	300
Prysmian Group	Greenville	26
Sage Automotive Interiors-Gayley	Abbeville	270
Shaw Industries - Midlands	Greenville	280
SMI Owen Steel Co. Inc. "CMC Rebar"	Lexington	370
Starbucks Manufacturing Corporation	Calhoun	82
Swiss Krono SC, LLC	Barnwell	175
Venture Aerobearings, LLC	Berkeley	53
Zeus Industrial Products, Inc.	Orangeburg	10