

Tim Hardee
System President

BOARD MEMBERS

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At-Large

Roger P. Schrum
At-Large

Matthew L. Yaun
At-Large

Molly M. Spearman
Ex Officio

Robert M. Hitt III
Ex Officio



TO: Robert M. Hitt III, Secretary of Department of Commerce
Chairman, SC Coordinating Council for Economic Development

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

DATE: November 15, 2017

SUBJECT: 2016 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 2016 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: Governor Henry McMaster
The Honorable Hugh Leatherman, Chairman of Senate Finance Committee
The Honorable Brian White, Chairman of House Ways and Means Committee
W. Hartley Powell, Director, SC Department of Revenue, Chairman,
Coordinating Council Enterprise Committee
Ralph A. Odom, Jr., 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
2016 Annual Report

November 2017

2016 SBTCE BOARD MEMBERS

(Membership at the end of 2016)

Ralph A. Odom, Jr.	<i>Chairman, Fifth Congressional District</i>
Warren L. Helm	<i>Vice Chairman, First Congressional District</i>
Robert E. Barnett	<i>Second Congressional District</i>
Charles G. Wilson	<i>Third Congressional District</i>
Stephen J. Burry	<i>Fourth Congressional District</i>
Gregory B. Askins	<i>Sixth Congressional District</i>
*	<i>Seventh Congressional District</i>
Gwendolyn A. Bright	<i>At-Large Member</i>
Matthew L. Yaun	<i>At-Large Member</i>
Montez C. Martin, Jr.	<i>At-Large Member</i>
Dr. Robert A. Wilson	<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>

* Vacant at end of 2016

SBTCE STAFF

Dr. Susan Winsor	Interim 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.

2016 ACCOMPLISHMENTS

During the 2016 calendar year, 16 companies applied for and were approved for the Job Retraining Credit. These companies are projected to retrain 3937 employees.

311 Course Additions were reviewed and approved by the SBTCE, and added to existing Training Plans by 29 of our participating companies.

ACTIVITY SUMMARY FOR 2016

Enterprise Zone Retraining Program 2016 Project Approvals	
Number of Retraining Agreements	16
Eligible Employees to be Retrained (over 5 years)	3937

**ENTERPRISE ZONE RETRAINING PROGRAM
5-YEAR RETRAINING AGREEMENTS
2016 CALENDAR YEAR APPROVALS**

Company Name	County	Employees Eligible to be Retrained During 5-Year Agreement
Span America	Greenville	100
Owen Steel Electric Company	Lexington	110
Greenwood Fab. & Plating	Greenwood	95
SKF USA, Inc.	Berkley	22
Oerlikon Balzers	York	26
Kimberly Clark Corporation	Aiken	198
Mohawk- North Plant	Marlboro	229
Mohawk-South Plant	Marlboro	467
Johnson Controls	Florence	157
Palmetto Synthetics, Inc.	Williamsburg	104
Fabri-Kal Corporation	Greenville	30
Softbox Systems	Greenville	8
Piedmont CMG, LLC	Greenwood	37
Halocarbon Products	Aiken	125
Eurokera North America	Greenville	65
Husqvarna Group	Orangeburg	2200