

Legislative Updates of interest for Higher Education: Week of Feb. 9-13, 2015

(Highlighted & bolded text is linked to source. Bill numbers go to the most recent version on the SC General Assembly website, www.scstatehouse.gov. This report is not intended to be all inclusive. For additional information on the 2015 session, see SC General Assembly website. For information reports on CHE's website, [Click Here](#))

In the House

- **Budget:** Work on the FY 2015-16 budget recommendations continued during the week in subcommittee. The Ways & Means Higher Education and Technical Colleges Budget Subcommittee met on Tuesday to finalize recommendations for consideration of the Ways & Means Proviso Subcommittee. The Proviso Subcommittee, which considers proviso recommendations from each of the budget subcommittees, met on Tuesday and Wednesday to consider recommendations to advance to the full Ways and Means Committee. The Ways and Means Committee will meet beginning on February 17 at 10:00 am to begin its deliberations on the FY 2015-16 budget. A number of new provisos were introduced and passed by the Higher Education Budget Subcommittee and subsequently passed by the Proviso Subcommittee. A listing and text of various new or amended provisos impacting higher education are attached. For handouts on other provisos considered, [Click Here](#) (see Feb 10 & 11). Please keep in mind that action of the committee is not recorded in the posted list which and not all provisos included were passed or may have had substitute provisos introduced and passed.
- House Education and Public Works Committee met on Wednesday and heard testimony on [H.3453](#) relating to student due process in non-academic disciplinary hearings. The committee recessed at the call of the chair to meet again at a later date to continue its deliberation of H.3452.
- House Education and Public Works Committee met on Wednesday and voted to advance several bills to the full House. Among the bills considered, the Committee advanced [H.3037](#) as introduced without amendment. H.3037 provides for the waiver of the 12 month physical presence requirement for discharged veterans who are establishing SC residency for tuition and fee purposes and their dependents. As advanced, H.3037 does not address federal legislation ([Veterans Choice Act of 2014, Section 702](#)) which requires states to provide in-state tuition rates to certain veterans, their spouses and dependents who are receiving Post 9/11 GI and Montgomery Bill education benefits. A bill is under consideration in the Senate Education, [S.391](#), which would address the federal requirements.

Introduced in the House during the week:

[H. 3542](#), to enact the "College Financial Aid Education Act of 2015" to amend Section 59-29-410 to include financing postsecondary education among topics covered in high school financial literacy programs and to amend Sections 59-103-165, 59-103-170, and 59-103-190 relating to postsecondary information packets for 8th graders to expand the scope regarding the students impacted and the required information and dissemination of information regarding college programs. The legislation would also require offering students who wish to withdraw or transfer from college counseling sessions prior to their withdrawal or transfer. (*Sponsor: King. Referred to: Committee on Education and Public Works*)

[H.3546](#) to require stipends and payments to intercollegiate student athletes in participating public colleges and university programs. Similar legislation, [S.171](#), has been filed in the Senate. (*Sponsor: Bamberg. Referred to Committee on Education and Public Works.*)

[H.3652](#) a concurrent resolution to request that state agencies and institutions of higher learning to refrain from flying and displaying the flag of the Socialist Republic of Vietnam. (*Sponsor: Cobb-Hunter. Referred to the Committee on Invitations and Memorial Resolutions.*)

[H.3663](#), a Joint Resolution to remove SC State University Board members, devolve board's power to the Budget and Control Board and to direct the Budget and Control Board to remove the current president of SC State, employ and interim CEO to serve at-will at the pleasure of the board to aid in directing SC State in a new direction with an emphasis on addressing and correcting ongoing financial difficulties in order to keep the university functional and maintain its accreditation. (*Sponsors: Bingham and Mitchell. Referred to Committee on Ways and Means.*)

In the Senate—

[S.382](#) to authorize the president of SC State University to institute a mandatory furlough was given second reading by the Senate. After the third reading, the bill will be sent to the House for consideration.

Other News –

Regulations from CHE were introduced and referred to Senate and House education committees: Document No. [4533](#), SC National Guard College Assistance Program, and Document No. [4534](#), To repeal regulations that are no longer necessary for the closed National Guard Student Loan Repayment Program. *For a general link to information on Regulations before the SC General Assembly, [Click Here](#).*

Appointments to CHE were introduced in the Senate and referred to Senate Education for consideration prior to action of the full Senate including: Louis B. Lynn for the Research University Representative (vice Leah B. Moody) and Clark Bradley Parker for an At-Large Seat (vice Ms. Elizabeth Jackson). Three other appointments to CHE (Mr. Tim Hofferth, At-large, Ms. Allison Dean Love, 4-Year Comprehensive Sector Representative, and Mr. Paul Batson, Technical College Representative) were vetted by Senate Education on Wednesday and reported out favorably to the full Senate. These three appointments are now pending confirmation of the full Senate.

The Board of Economic Advisors met on Friday, February 13, to consider its State revenue projections for FY 2015-16. For an article about the meeting, [Click Here](#).

New or Amended Provisos Relating to Higher Education Advanced during the Week. The provisos will be considered by the Ways and Means Committee which is working to develop FY2015-16 recommendations for consideration of the House. ([Click Here](#) for the 2015 Calendar for the FY16 Budget)

All information here is subject to change and is as of 2/11/2015. For links to the full packets see <http://www.scstatehouse.gov/committeeinfo/Ways&MeansMeetingHandouts/MeetingHandouts.php>

Keep in mind when accessing and reviewing the posted information, not all provisos included in the packets were adopted for many there were substitutes offered and passed.

3.1 AMEND (Audit) SUBCOMMITTEE RECOMMENDATION: AMEND proviso.

3.1. (LEA: Audit) Each state agency receiving lottery funds shall develop and implement procedures to monitor the expenditures of lottery funds in order to ensure that lottery funds are expended in accordance with applicable state laws, rules, and regulations. *For institutions of higher learning, adopted procedures to monitor expenditures of lottery funds shall be reported to the Commission on Higher Education by August 1, 2015, and these expenditures are subject to annual verification and audit by the Commission on Higher Education on a rotational schedule not to exceed three years.* The Office of the State Auditor shall ensure that state agencies receiving lottery funds have procedures in place to monitor expenditures of lottery funds and that the monitoring procedures are operating effectively.

3.he.a ADD (Higher Education Allocations) SUBCOMMITTEE RECOMMENDATION: ADD new proviso.

3.he.a. (LEA: Higher Education Allocations) Education Lottery Account funds provided to institutions of higher learning shall only be expended by and/or allocated to higher education institutions domiciled in this state.

**11.2 DELETE (Out-of-State School of the Arts) Directs that Out-of-State School of the Arts funds must be spent for a SREB Contract Program that will offset the difference between out-of-state and in-state costs for artistically talented high school students at the North Carolina School of the Arts.
SUBCOMMITTEE RECOMMENDATION: DELETE proviso.**

~~**11.2.** (CHE: Out-of-State School of the Arts) The funds appropriated herein for Out-of-State School of the Arts must be expended for an SREB Contract Program, administered by the Commission, which will offset the difference between the out-of-state cost and in-state cost for artistically talented high school students at the North Carolina School of the Arts.~~

11.tran ADD (Transferability) SUBCOMMITTEE RECOMMENDATION: ADD new proviso.

11.tran. (CHE: Transferability) Transfer students from two-year public institutions of higher learning accepted to public research institutions and four-year colleges and universities with an earned Associate of Arts or Associate of Science degree are guaranteed the award of at least sixty credit hours of transfer coursework and will have all general education requirements waived. Course prerequisites and minimum credit requirements for the awarding of degrees shall still apply. The Commission on Higher Education, in consultation with the State Board for Technical and Comprehensive Education and the public institutions of higher learning, will develop policies by May 2, 2016, for implementation of the provisions herein effective beginning in fall 2016.

11.of ADD (Other Funds Expenditure Authorization) SUBCOMMITTEE RECOMMENDATION: ADD new proviso.

11.of. (CHE: Other Funds Expenditure Authorization) State institutions of higher learning, including technical schools, shall not expend an amount of other funds in excess of the total authorized by this act and any amount approved by the Other Funds Oversight Committee. Each institution and school shall prepare a quarterly report, which includes quarterly and fiscal year-to-date other funds appropriations expenditure amounts, and provide the reports, no later than fifteen days after the end of the quarter, to the Senate Finance Committee, the House Ways and Means Committee, and the Revenue and Fiscal Affairs Office. Upon a finding by the Revenue and Fiscal Affairs Office that an institution or school has breached its other fund authorization, the executive director shall send a letter notifying the State Treasurer as to the amount of unauthorized spending and the State Treasurer shall withhold an equal amount from that institution or school's next available general fund appropriation transfer and remit it to the general fund.

11.sd ADD (Student Debt) SUBCOMMITTEE RECOMMENDATION: ADD new proviso.

11.sd. (CHE: Student Debt) The Commission on Higher Education, in collaboration with the Student Loan Corporation, shall determine outstanding student loan debt numbers and default rates as of July 1, 2015, for each public institution of higher learning. Results shall be reported annually to the Chairman of the Senate Finance Committee and Chairman of the House Ways and Means Committee by October 1st.

11.sa ADD (Scholarship Awards) SUBCOMMITTEE RECOMMENDATION: ADD new proviso to provide guidelines for a student to receive a Palmetto Fellows or LIFE scholarship award during the summer in addition to fall and spring semesters. Direct that the student must continue to meet eligibility requirements and be enrolled full-time, which for summer requires 12 hours. Direct that the total summer award per student may not exceed half of the allowable academic year award up to the cost of attendance and must be reimbursed if the student does not complete at least 12 hours of academic credit during the summer sessions. Direct that if a summer award is made, the student's total award during their enrollment may not exceed the amount provided under current semester limits. *Moved from the lottery proviso.*

11.sa. (CHE: Scholarship Awards) A student may receive a Palmetto Fellows or LIFE scholarship award during the summer, in addition to fall and spring semesters of an academic year, provided continued eligibility requirements are met as of the end of the spring semester. Students must enroll full-time, which for purposes of the summer award will require enrollment in at least twelve hours over the course of the summer. The summer is defined as the period between the end of the spring term and prior to the opening of the fall term. The total summer award per student may not exceed half of the allowable academic year award up to the cost of attendance and must be reimbursed if less than twelve hours for academic credit are not completed by the student during summer sessions. If awarded in the summer, a student's total award during his or her enrollment may not exceed the amount that would otherwise be provided under current semester limits applied for the scholarship awards. The Commission on Higher Education may provide additional guidelines necessary to ensure uniform implementation.

11.gd ADD (Graduation Data) SUBCOMMITTEE RECOMMENDATION: ADD new proviso.

11.gd. (CHE: Graduation Data) Institutions of higher learning must annually report graduation data in terms of true freshman cohort; a student who starts their college career as a freshman at the institution and graduates from that institution. Institutions must also report graduation data in terms of the Voluntary System of Accountability (VSA). Both calculations must be submitted to the Commission on Higher Education on or before December 1st.

11.ec **ADD** (Federal and Other Fund Compensation Increase Exemption) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.ec. (CHE: Federal and Other Fund Compensation Increase Exemption) Notwithstanding the requirements of proviso 93.24 (Employee Compensation), institutions of higher learning shall be exempt from having to provide state imposed pay raises to other and federal funded full-time equivalent positions.

11.rec **ADD** (Remit Unmatched Endowed Chairs Funds) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.rec. (CHE: Remit Unmatched Endowed Chairs Funds) All monies set aside for the Centers of Excellence Matching Endowment that have not named a matching source of funds by July 1, 2015, shall be remitted to the general fund by August 1, 2015.

11.oid **ADD** (Outstanding Institutional Debt) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.oid. (CHE: Outstanding Institutional Debt) By November 1st, institutions of higher learning must submit to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Commission on Higher Education, data on all outstanding institutional debt for their respective institution. Data shall include, but not be limited to, the amount of the initial debt, year in which the debt was incurred, the year in which the debt will be satisfied, the repayment schedule, and the purpose for which the debt was incurred.

11.et **ADD** (Equalizing In-State Tuition) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.et. (CHE: Equalizing In-State Tuition) The Commission on Higher Education shall study in-state tuition rates at all state institutions of higher learning to determine the feasibility of equalizing in-state tuition rates. The commission shall report the findings of the study to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee by December 1, 2015.

11.ftc **ADD** (Other Funded FTE Revenue) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.ftc. (CHE: Other Funded FTE Revenue) Each institution of higher learning, when requesting additional other funded full-time equivalent positions shall ensure that sufficient revenues exist to fund the salary and fringe benefits for the positions. In addition, the institution shall also ensure that in the calculation of the revenue required for the positions, future pay increases and future health insurance adjustments as may be mandated by the General Assembly are taken into consideration.

11.fpw ADD (4% Waivers) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.fpw. (CHE: 4% Waivers) When each institution of higher learning establishes the allotted amount of money to be used as a fee waiver, the formula to be used across the board shall be defined as "Total Waiver Allotment per Statute=Unduplicated headcount (full annual in-state geo tuition) x 4 percent." In order to qualify for a fee waiver a student must be in-state (based on geo-origin); must be an undergraduate; must be enrolled in at least 12 hours; and must maintain a 3.0 grade point average per semester. Formula calculation and award data must be submitted to the Commission on Higher Education by October 1 of each year. When reporting data, the institution must identify all other financial awards the student is receiving as well as if the student is an athlete and how many semesters the student has received the waiver. If the information is not provided to the Commission on Higher Education by October 1, the commission must notify the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee and those institutions shall have their general fund appropriations reduced by the total waiver allotment per the respective institution.

11.ab ADD (Abatements) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.ab. (CHE: Abatements) For tuition and fee purposes, public institutions of higher learning may adopt policies in addition to those in accordance with Section 59-112-10 et seq. of the 1976 Code and State Regulations 62-600 through 62-612 to waive some or all of the out-of-state tuition rates for those nonresident students who receive scholarship aid. Such waivers shall not exceed the total four percent fee waiver allotted amount.

Calculation of waivers for out-of-state students must be submitted to the Commission on Higher Education by October 1 each year. When reporting data, the institution must identify the geo-origin of the student, class of the student, all other financial awards the student is receiving as well as if the student is an athlete and how many semesters the student has received the waiver.

If the information is not provided to the Commission on Higher Education by October 1, the commission must notify the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee and those institutions shall have their general fund appropriations reduced by the total waiver allotment per the respective institution.

11.cc ADD (General Education Core Curriculum) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.cc. (CHE: Personal Finances Core Curriculum) Each institution of higher learning shall offer a course designed for first-year students regarding personal finances which must be included in an institution's general education core curriculum.

11.al ADD (Uniform Acceptance Letter Deadline) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.al. (CHE: Uniform Acceptance Letter Deadline) The Commission on Higher Education shall work with all institutions of higher learning to establish a uniform deadline for acceptance letters for the fall semester for incoming freshman.

11.cpe ADD (Comprehensive Program Evaluation) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.cpe. (CHE: Comprehensive Program Evaluation) The Commission on Higher Education shall not grant a new program at an institution of higher learning until a comprehensive evaluation has been conducted on all the programs at that institution. The commission shall develop criteria to evaluate whether existing programs are essential and valuable to the institution and to the students enrolled in the institution. The commission shall submit the evaluation criteria to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee.

11.cig ADD (Higher Education Continuous Improvement Goals) **SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

11.cig. (CHE: Higher Education Continuous Improvement Goals) In an effort to encourage improvements in higher education, attainment of the following goals will be considered with appropriation requests. Clemson University, the Citadel, and the University of South Carolina Columbia Campus shall improve their percentage of full time in-state undergraduate students by 2% of total enrollment in the fall class of 2015 and by 5% by 2020. The Medical University of South Carolina shall increase graduate percentage of in-state students by 2%. Coastal Carolina University, the University of Charleston, Francis Marion University, Lander University, USC Aiken, USC Beaufort, USC Upstate, and Winthrop University shall increase retention by 2% over two years and shall increase the four-year graduation rate by 3% over 4 years. The state's technical schools shall increase job placement by 2% over two years.

19.so ADD (Suspend Operations) **HIGHER EDUCATION AND TECHNICAL SCHOOLS SUBCOMMITTEE RECOMMENDATION:** ADD new proviso.

19.so. (SCSU: Suspend Operations) For Fiscal Year 2015-16, all operations and programs of the South Carolina State University shall be suspended as of July 1, 2015. It is the intent of the General Assembly that all athletic programs shall be suspended, the president shall be terminated, faculty and staff shall be dismissed, and the board of trustees shall be terminated. The university shall remain closed for one year during which time the Blue Ribbon Advisory Committee will establish a plan to reconstitute South Carolina State University by January 1, 2017; to re-hire necessary faculty, reconstitute athletic programs, and set curriculum to be offered as approved by the Commission on Higher Education so that applications for the 2017-18 school year can be accepted and the school year can begin in the fall of 2017.

The State of South Carolina shall assume all debt and pay off all outstanding bonded indebtedness, debt to vendors, and loans made from the Contingency Reserve Fund. To effectuate this payment the Executive Budget Office, in conjunction with the Comptroller General shall utilize the General Funds appropriated to the institution along with any other funds the institution carried forward from the prior fiscal year. The order in which outstanding debt shall be paid is as follows: vendors, then bonded indebtedness, then Contingency Reserve Fund.

Current South Carolina State University students who have a 2.5 GPA or higher and qualify to transfer to another in-state public institution or South Carolina historically black university, shall have their tuition paid for by the State of South Carolina, for up to four years from this date. All lottery scholarships and federal assistance currently awarded to the student shall be factored into the amount of tuition paid for by the State of South Carolina. If the student falls below a 2.5 GPA during any of the remaining semesters, the tuition shall be terminated and the school may dismiss the student at its discretion.

The Blue Ribbon Advisory Committee must submit the entire plan to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee before final approval by the General Assembly.

GENERAL PROVISIONS

117.55 AMEND (Employee Bonuses) **SUBCOMMITTEE RECOMMENDATION:** AMEND proviso.

117.55. (GP: Employee Bonuses) State agencies and institutions are allowed to spend state, federal, and other sources of revenue to provide selected employees lump sum bonuses, not to exceed three thousand dollars per year, based on objective guidelines established by the Department of Administration. Payment of these bonuses is not a part of the employee's base salary and is not earnable compensation for purposes of employee and employer contributions to respective retirement systems. Employees, including presidents of colleges and universities, earning \$100,000 or more shall not be eligible to receive bonuses under this provision. The employing agency must report this information on or before August 31st of each year and must include the total amount and source of the bonus received by the employee during the preceding fiscal year (July 1st through June 30th). The Human Resources Division of the Department of Administration shall formulate policies and procedures to ensure compliance with the reporting provisions of this proviso. Copies of the reports shall be made available to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, upon request.

DEPARTMENT OF ADMINISTRATION

93.18 AMEND (Compensation - Reporting of Supplemental Salaries) **SUBCOMMITTEE RECOMMENDATION:** AMEND proviso.

93.18. (DOA: Compensation - Reporting of Supplemental Salaries) No supplement shall be paid to an agency's employee, including presidents of colleges and universities, unless the agency head or designated official of the employing agency, in the case of colleges and universities, their board of trustees, has approved the conditions and amount of salary supplement. Any compensation, excluding travel reimbursement, from an affiliated public charity, foundation, clinical faculty practice plan, or other public source or any supplement from a private source to the salary appropriated for a state employee and fixed by the State must be reported by the employing agency to the Department of Administration. The report must include the employee's base salary, amount of the supplement, source of the supplement, and any condition of the supplement. The employing agency must report this information on or before August thirty-first of each year and must include the total amount and source of the salary supplement received by the employee during the preceding fiscal year (July first through June thirtieth). The Department of Administration shall formulate policies and procedures to ensure compliance with the reporting provisions of this proviso. Copies of the reports shall be made available to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee, upon request.

117.eto ADD (Employment Training Outcomes Data Sharing) SUBCOMMITTEE RECOMMENDATION: ADD new proviso to state that the Department of Employment and Workforce, in developing required Workforce and Labor Market Information System improvements, will require integration of training and employment data to improve longitudinal assessments of employment outcomes for various training providers eligible to receive funding appropriated or authorized by this Act. Direct DEW to establish a Governance Policy for management, development, security, partner collaboration, and sharing responsibilities by July 1, 2015. Direct DEW to develop a model data-sharing agreement with eligible training providers by July 22, 2015 and provide for specific data to be included in the agreement in order for DEW to assess the effectiveness and return on investment of training programs offered by the providers. Direct DEW, by January 1, 2016, to develop a model data-sharing agreement with the Department of Education, the Center for Educator Recruitment, Retention and Advancement, the EOC, the Vocational Rehabilitation Department, and CHE to capture and match data. Direct DEW and the SC Student Loan Corporation, by January 1, 2016, to enter into a data-sharing agreement to determine the average debt load carried by individuals who participate in the training programs. Direct DEW, by June 30, 2016, to develop a model data-sharing agreement with DSS to capture data related to New Hire status and social services data. Requested by Department of Employment and Workforce.

117.eto.(GP: Employment Training Outcomes Data Sharing) The Department of Employment and Workforce (DEW), in developing the Workforce and Labor Market Information System (WLMIS) improvements required of the Workforce Innovation and Opportunity Act (WIOA) (P.L. 113-128), will require integration of training and employment data for the purposes of improving longitudinal assessment of employment outcomes for the various training providers eligible to receive funding appropriated or authorized by this Act.

(A) As the entity with authority for the oversight and maintenance for the WLMIS, DEW shall establish a Governance Policy for the management, development, security, partner collaboration, and sharing responsibilities no later than July 1, 2015.

(B) No later than July 22, 2015, DEW must develop a model data-sharing agreement with eligible training providers (ETPs). As specified by the WIOA Act, this agreement will require ETPs to submit data related to the types of training programs offered, individual student coursework and outcomes, program completion and time to complete, program costs, and tuition assistance. It will further require reporting of personally identifiable information (PII) to match training and employment data to determine placement in companies and jobs by the North American Industry Classification (NAIC) System and Standard Occupation Classification (SOC)

System and other information necessary for DEW to accurately and completely assess the effectiveness and return on investment of all training programs offered by the entity.

(C) No later than January 1, 2016, DEW must develop a model data-sharing agreement with the South Carolina Department of Education, the Center for Educator Recruitment, Retention and Advancement, and the Education Oversight Committee, the South Carolina Vocational Rehabilitation Department, and the Commission on Higher Education to capture and match data as enumerated in item (A) of this section. This agreement will ensure collaborative sharing of matched data with each partner agency for the purpose of program assessment and effectiveness in compliance with state and federal laws.

(D) DEW and the South Carolina Student Loan Corporation shall, by January 1, 2016, enter into a data-sharing agreement to determine the average debt load carried by individuals who participate in training programs with eligible training providers. This agreement will ensure collaborative sharing of matched data for the purpose of program assessment and effectiveness in compliance with state and federal laws.

(E) No later than June 30, 2016, DEW must develop a model data-sharing agreement with the South Carolina Department of Social Services to capture data related to New Hire status and social service data. This agreement will ensure collaborative sharing of matched data for the purpose of program assessment and effectiveness in compliance with state and federal laws.

83.dt CONFORM TO FUNDING (Direct Training) SUBCOMMITTEE RECOMMENDATION:
CONFORM TO FUNDING RECOMMENDATION...ADD new proviso to direct the

department to use direct training funds to establish a program by August 1, 2015, to provide subsidized direct training for eligible individuals at eligible training institutions to improve employment outcomes for those individuals. Establish eligibility criteria for both individuals and institutions; and establish selection criteria for training programs. Direct that funds used for this purpose not supplant ReadySC funds and to refer employers who appear eligible for participation in ReadySC to the State Board for Tec and Comp Ed for inclusion in that program. Direct that funding for eligible individuals be made on a reimbursable basis and that participants must agree to repay the department on a schedule approved by the department. Direct DEW to partner with DOR to administer recovery of training funds through the state's income tax program. Require DEW report to the Governor and the Chairmen of the Senate Finance and House Ways and Means Committee by August 1, 2015 on accountability measures for program effectiveness. Authorize DEW to retain and expend not more than 7% of total funds appropriated for the program and to use these funds for program development, marketing and recruiting efforts, and for program administration. Authorize unexpended and recovered funds to be carried forward and used for the same purpose. Requested by Department of Employment and Workforce.

83.dt. (DEW: Direct Training) From the funds appropriated to the Department of Employment and Workforce for direct training, the department shall, by August 1, 2015, establish a program to provide subsidized direct training for eligible individuals at eligible training institutions for the purpose of improving employment outcomes for eligible individuals pursuant to the requirements of this section.

(A) Eligibility for individuals shall be determined by the department but shall include, at a minimum, negative screening for drugs of abuse, successful completion of Silver WorkKeys certification, participation in employment preparation activities as directed by the department, and maintaining adequate attendance and vocational progress in prescribed training programs subsidized by the program.

(B) Eligibility for institutions to provide training services shall be determined by the department but shall include, at a minimum, licensure as an eligible institution of higher education or postsecondary job skills training, a demonstrable record of positive employment outcomes as evaluated by the department, and a suitable return on investment of training dollars, and assessed by the department and steering committee.

(C) Eligible training programs selected shall be those most likely to produce long-term employment for the greatest number of eligible individuals, and display potential for long-term wage growth.

(1) The department shall select training programs at eligible institutions based on information received from unfilled jobs reports, surveys of businesses detailing employment needs, and feedback from local business associations and economic development professionals.

(2) In order to make appropriate determinations of employee demand and program eligibility, the department shall divide the state into four distinct regions and produce a separate analysis detailed in item (C)(1) for each region. The department may choose to provide direct training funds for different sets of eligible programs in each of the four regions, based on regional need. Nothing in this section precludes eligible individuals from seeking training in a region in which they do not reside.

(3) The department may negotiate the cost of eligible training programs with eligible training providers and enter into memorandums of agreement with training providers, including public institutions of higher education to ratify negotiated fee schedules.

(4) The department may approve training programs established to address the training needs of a single employer or industry that does not result in a training certificate or nationally recognized trade certification. Funds used for this purpose shall not supplant those appropriated for ReadySC and, to the extent practicable, employers who appear to be eligible

for participation in ReadySC must be referred by the department to the State Board for Technical and Comprehensive Education for inclusion in that program.

(D) Funding for eligible individuals pursuant to item (A) participating in eligible training programs pursuant to items (B) and (C) shall be made on a reimbursable basis. Individuals electing to participate in a subsidized training program pursuant to this provision must agree to repay the department on a schedule approved by the department. The department shall provide explanation of this requirement on applications and promissory notes produced by the department for the administration of this program. The department shall partner with the Department of Revenue to administer recovery of training funds through the state's income tax program.

(E) The department shall, by August 1, 2015, report to the Governor, the Chairman of the Senate Finance Committee, and the Chairman of the House Ways and Means Committee, on accountability measures used to evaluate the success of training programs in terms of cost, completion, employment outcomes, wage growth, and other indicators deemed necessary by the department to measure program effectiveness.

(F) The department may retain and expend not more than seven percent of total funds appropriated for the program to be used for program development, marketing and recruiting efforts, and administration of the program.

(G) Unexpended funds appropriated for this program and those recovered pursuant to item (D) of this provision shall be carried forward and used for the same purpose.