**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59‑150‑365 SO AS TO PROVIDE SOUTH CAROLINA LEADERSHIP SCHOLARSHIPS TO COVER THE COST OF ATTENDING A PUBLIC INSTITUTION OF HIGHER EDUCATION IN SOUTH CAROLINA FOR STUDENTS WHO DEMONSTRATE LEADERSHIP POTENTIAL, TO DEFINE NECESSARY TERMINOLOGY, TO PROVIDE CRITERIA FOR ELIGIBILITY FOR THE SCHOLARSHIP, TO PROVIDE THE SCHOLARSHIP IN COMBINATION WITH ALL OTHER GRANTS AND SCHOLARSHIPS MUST NOT EXCEED ACTUAL ATTENDANCE COSTS, TO PROVIDE THE COMMISSION ON HIGHER EDUCATION MUST PROMULGATE RELATED REGULATIONS, AND TO PROVIDE THAT ALL PARTICIPATING INSTITUTIONS MUST REPORT THEIR ENROLLMENT AND OTHER RELEVANT DATA AS SOLICITED BY THE COMMISSION WHICH MAY AUDIT THESE INSTITUTIONS TO ENSURE THEIR COMPLIANCE; AND TO AMEND SECTION 59‑150‑355, RELATING TO EDUCATION LOTTERY APPROPRIATIONS AND USES, SO AS TO INCLUDE THE SOUTH CAROLINA LEADERSHIP SCHOLARSHIPS AMONG THOSE RECEIVING LOTTERY APPROPRIATIONS.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Chapter 150, Title 59 of the 1976 Code is amended by adding:

“Section 59‑150‑365. (A) South Carolina Leadership Scholarships, which also may be known as SC Leadership Scholarships, are hereby established and are provided by the State. These scholarships are authorized in an amount of up to two thousand five hundred dollars, plus a three hundred dollar book allowance to cover the cost of attendance, as defined by the Commission on Higher Education by regulation, during the first year of attendance only, to an eligible student attending a four‑year public or independent institution as defined in subsection (B).

(B) For purposes of this chapter, a ‘public or independent institution’ that a student may attend to receive a SC Leadership Scholarship includes the following:

(1) a South Carolina four‑year public institution as defined in Section 59‑103‑5 and a four‑year independent institution as defined in Section 59‑113‑50;

(2) a public or independent bachelor’s level institution chartered before 1962 whose major campus and headquarters are located within South Carolina; or an independent bachelor’s level institution which is accredited by the Southern Association of Colleges and Secondary Schools; or an independent bachelor’s level institution which is accredited by the New England Association of Colleges and Schools. Institutions whose sole purpose is religious or theological training, or the granting of professional degrees do not meet the definition of ‘public or independent institution’ for purposes of this chapter.

(C) A student is eligible to receive a SC Leadership Scholarship if he meets the criteria established by the Commission on Higher Education to indentify students who are demonstrated leaders in their school and communities and whose conduct indicate a significant potential as a leader in the future. No minimum Scholastic Aptitude Test (SAT) or American College Testing (ACT) score and requisite class rank are required for eligibility for the SC Leadership Scholarship. These SC Leadership Scholarships must be granted and awarded as provided in this section.

(D) These SC Leadership Scholarships in combination with all other grants and scholarships must not exceed the cost of attendance at the particular institutions referenced in subsection (B).

(E) The Commission on Higher Education must promulgate regulations and establish procedures to administer the provisions of this section.

(F) All institutions participating in the SC Leadership Scholarship Program must report their enrollment and other relevant data as solicited by the Commission on Higher Education which may audit these institutions to ensure compliance with this provision.”

SECTION 2. Section 59‑150‑355 of the 1976 Code is amended to read:

“Section 59‑150‑355. There is appropriated from the Education Lottery Account for the following education purposes and programs and funds for these programs and purposes shall be transferred by the Budget and Control Board as directed below. These appropriations must be used to supplement and not supplant existing funds for education. Distributions from the Education Lottery Account must be made on a quarterly basis by the last day of January, April, July, and October of each year, beginning in July 2002 if the account has accrued more than $35,000,000 in net proceeds by that date. The Budget and Control Board is directed to prepare the subsequent Lottery Expenditure Account detail budget to reflect the appropriations of the Education Lottery Account as provided in this section. Fiscal Year 2002‑2003 certified net lottery proceeds and investment earnings of $172,000,000 are appropriated as follows: Department of Education‑‑K‑5 Reading, Math, Science & Social Studies Program as provided in Section 59‑1‑525, $32,915,900; School Buses, $ 8,000,000; State Library, Aid to County Libraries as provided in Section 59‑150‑350(D), $1,500,000; Commission on Higher Education‑‑Endowed Chairs as provided in Chapter 75 of Title 2, $30,000,000; Commission on Higher Education‑‑LIFE Scholarships as provided in Chapter 149 of Title 59, $40,000,000; Palmetto Fellows Scholarships as provided in Section 59‑104‑20, $5,000,000; National Guard Tuition Repayment Program as provided in Section 59‑111‑75, $1,500,000; Technology: Public 4‑Year Universities, 2‑Year Institutions, and State Technical Schools, $11,103,683; Tuition Assistance‑‑Technical Schools and 2‑year institutions as provided in Section 59‑150‑360, $34,000,000; HOPE Scholarships as provided in Section 59‑150‑370, $5,787,600; Administration of Scholarships, Technical Grants, and Endowed Chair programs, $192,817; South Carolina State University‑‑Research and Technology Grant, $2,000,000; Of the funds appropriated for technology, one‑half must be used for University Technology Grant Program funds to be awarded to public four‑year universities, excluding the University of South Carolina‑Columbia, Clemson, and the Medical University of South Carolina. Grants must be awarded to institutions with grant proposals supporting the development of technology and/or technology infrastructure. The review process, to include the awarding of grants, is to be determined by the Commission on Higher Education. The remaining one‑half of these funds appropriated for technology shall be Technology Grant Program funds to be used for technology upgrades across the public two‑year institutions and the technical college system for the support and development of technology. One‑half of one percent of the allocated amount must be used by the Commission on Higher Education to fund Palmetto Fellows Scholarships. Funds appropriated for Research and Technology Grant‑‑South Carolina State University must be used to support basic and applied research in information and technology outreach opportunities for South Carolina’s rural and urban citizens. The Commission on Higher Education is authorized to temporarily transfer funds between appropriated line items and between recurring and nonrecurring funds in order to ensure the timely receipt of scholarships and tuition assistance. The amounts appropriated for school buses must be used for the purchase of new school buses and the repair of existing school buses. Fiscal Year 2001‑2002 certified net lottery proceeds and investment earnings of $80,000,000 are appropriated as follows: Department of Education‑‑Education Accountability Act, $23,903,683; School Buses, $15,000,000; Educational Television Commission‑‑ETV Digitalization as provided in Section 59‑150‑350(D), $18,500,000; Tuition Grants Commission‑‑Tuition Grants, $3,000,000; Commission on Higher Education‑‑Teacher Grants as provided in Section 59‑150‑350(D), $2,000,000; Technology: Public 4‑Year Universities, 2‑Year Institutions, and State Technical Schools, $10,596,317; Historically Black College and University Maintenance and Repair, $3,000,000; South Carolina State University‑‑Research and Technology Grant, $1,000,000; Needs‑Based Grants, $3,000,000. The funds appropriated to the Department of Education for the Education Accountability Act shall be used to provide homework centers ($1,548,440); retraining grants ($4,637,000); external review teams ($1,466,872); teacher specialists ($12,581,069); principal specialists ($2,270,302); school‑based pilot programs ($400,000); and Palmetto Gold and Silver Awards Program ($1,000,000). Funds appropriated for teacher and principal specialists must be used first to fully fund these programs. Any funds remaining are to be used for the other five programs listed above. School‑based Pilot Programs must include the deregulation of any school district with an overall absolute or improved designation of average or better when requested by the district. The amounts appropriated for school buses must be used for the purchase of new school buses including six appropriately equipped school buses for the School for the Deaf and the Blind, and the repair of existing school buses. Of the allocation for the purchase of new school buses, two new nineteen‑passenger activity buses must be purchased for John de la Howe. Of the funds appropriated for technology, one‑half must be used for University Technology Grant Program funds to be awarded to public four‑year universities, excluding the University of South Carolina‑Columbia, Clemson, and the Medical University of South Carolina. Grants must be awarded to institutions with grant proposals supporting the development of technology and/or technology infrastructure. The review process, to include the awarding of grants, is to be determined by the Commission on Higher Education. The remaining one‑half of these funds appropriated for technology shall be Technology Grant Program funds to be used for technology upgrades across the public two‑year institutions and the technical college system for the support and development of technology. One‑half of one percent of the allocated amount must be used by the Commission on Higher Education to fund Palmetto Fellows Scholarships. The amounts appropriated for South Carolina’s private historically black colleges and universities, as defined in 20 U.S. ~~Code~~ C. Section 1061, as amended, shall be appropriated in an equal amount to each institution to be used by the institutions for construction and renovation projects. Funds appropriated for Research and Technology Grant‑‑South Carolina State University must be used to support basic and applied research in information and technology outreach opportunities for South Carolina’s rural and urban citizens. Fiscal Year 2002‑2003 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and shall be used to ensure that all LIFE, Palmetto Fellows, and HOPE Scholarships created or supplemented by the General Assembly for Fiscal Year 2002‑2003 in this section are fully funded. Fiscal Year 2001‑2002 net lottery proceeds and investment earnings in excess of certified net lottery proceeds and investment earnings for this period are appropriated and shall be carried forward and used to ensure that all LIFE, Palmetto Fellows, and HOPE Scholarships created or supplemented by the General Assembly for Fiscal Year 2002‑2003 in this section are fully funded. For Fiscal Year 2001‑2002 and 2002‑2003 the first $1,000,000 of unclaimed prize money is appropriated to the Budget and Control Board to contract for services assisting in the prevention and treatment of gambling disorders as specified in Section 59‑150‑230(I). Any revenue in excess of the $1,000,000 must be appropriated to the State Department of Education for the purchase and repair of school buses. If the lottery revenue received for Fiscal Year 2001‑2002 or Fiscal Year 2002‑2003 is less than the amounts appropriated, the projects and programs receiving appropriations for any such year shall have their appropriations reduced on a pro rata basis, except that a reduction must not be applied to the funding of LIFE, Palmetto Fellows, and HOPE Scholarships. Beginning with Fiscal Year 2014‑2015, $5,000,000 of lottery proceeds must be appropriated for South Carolina Leadership Scholarships provided in Section 59‑150‑365.”

SECTION 3. This act takes effect upon approval by the Governor.

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