

**H.3720 CONFERENCE COMMITTEE
SUMMARY OF PROVISO CHANGES FOR FY 2017-18
DIFFERENCES FOR DISCUSSION**

SECTION 1 - H630 - DEPARTMENT OF EDUCATION

1.3 AMEND VS AMEND FURTHER (EFA Formula/Base Student Cost Inflation Factor) States the General Assembly’s intent to fully implement the EFA including an inflation factor to match the inflation wages of public school employees in the southeast; states that for FY 16-17, the base student cost has been determined to be \$2,350; that the per pupil count is projected to be 723,953, and projects the average per pupil funding. Provides for the distribution of funds to the SC Public Charter School District. Requires the Revenue and Fiscal Affairs Office post each school district's projections on their website and for each school district to also post their numbers. Requires the department and the EOC provide links to this information on their websites. Provides pupil classification weightings.

WMC: AMEND proviso to update the projections for FY 17-18 as follows: base student cost \$2,400; total pupil count, 721,401; average per pupil funding: \$6,096 state, \$1,294 federal, and \$5,726 local, for an average total funding level of \$13,116, excluding revenues of local bond issues. Change reference to “school year 2016-17” to “the current” school year.

HOU: ADOPT proviso as amended.

1.3. (SDE: EFA Formula/Base Student Cost Inflation Factor) To the extent possible within available funds, it is the intent of the General Assembly to provide for one hundred percent of full implementation of the Education Finance Act to include an inflation factor projected by the Revenue and Fiscal Affairs Office to match inflation wages of public school employees in the Southeast. The base student cost for the current fiscal year has been determined to be ~~\$2,350~~ \$2,400. For the current fiscal year, the total pupil count is projected to be ~~723,953~~ 721,401. The average per pupil funding is projected to be ~~\$5,827~~ \$6,096 state, ~~\$1,245~~ \$1,294 federal, and ~~\$5,542~~ \$5,726 local. This is an average total funding level of ~~\$14,210~~ \$13,116 excluding revenues of local bond issues. For the current fiscal year the South Carolina Public Charter School District and any institution of higher education sponsoring a public charter school shall receive and distribute state EFA funds to the charter school as determined by one hundred percent of the current year’s base student cost, as funded by the General Assembly multiplied by the weighted students pupils enrolled in the charter school, which must be subject to adjustment for student attendance.

The Revenue and Fiscal Affairs Office, must post in a prominent place on their website for each school district projections, including the per pupil state, federal and local revenues, excluding revenues of local bond issues, for the current fiscal year. Also, as soon as practicable, upon determining the exact numbers regarding pupil count and funding, the Revenue and Fiscal Affairs Office, shall also post on their website the one hundred thirty-five day average daily membership for each school district and per pupil state, federal and local revenues, excluding revenues of local bond issues, based on the most recent audited financial statement as reported annually pursuant to Section 59-17-100. The Department of Education and the Education Oversight Committee shall provide in a prominent place on their internet websites a link to the information posted by the Revenue and Fiscal Affairs Office, including the projected numbers and the exact numbers.

For the current fiscal year, the pupil classification weightings are as follows:

- (1) K-12 pupils or base students including homebound students 1.00
Students served in licensed residential treatment facilities (RTFs) for children and adolescents as defined under Section 44-7-130 of the 1976 Code shall receive a weighting of 2.10.
- (2) Weights for students with disabilities as prescribed in Section 59-20-40(1)(c) Special Programs
- (3) Precareer and Career Technology 1.29
- (4) Additional weights for personalized instruction:
 - (A) Gifted and Talented 0.15

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(B) Academic Assistance	0.15
(C) Limited English Proficiency	0.20
(D) Pupils in Poverty	0.20
(E) Dual Credit Enrollment	0.15

No local match is required for the additional weightings for personalized instruction in *the current* school year ~~2016-17~~. Charter school per pupil calculations for locally sponsored charters will continue to be calculated according to Section 59-40-140 of the 1976 Code. Students may receive multiple weights for personalized instruction; however, within each weight, students should only be counted once. These weights are defined below:

Gifted and talented students are students who are classified as academically or artistically gifted and talented or who are enrolled in Advanced Placement (AP) and International Baccalaureate (IB) courses in high school. Districts shall set-aside twelve percent of the funds for serving artistically gifted and talented students in grades three through twelve.

Students in need of academic assistance are students who do not meet state standards in mathematics, English language arts, or both on state approved assessments in grades three through eight and high school assessments for grades nine through twelve. The additional weight generates funds needed to provide additional instructional services to these students.

Students with limited English proficiency are students who require intensive English language instruction programs and whose families require specialized parental involvement intervention.

Students identified for dual credit enrollment must be identified in PowerSchool as taking a course that will lead to both high school credit and post-secondary credit. Districts must assist students in accessing Lottery Tuition Assistance when applicable.

For the current school year, the Department of Education will continue to use counts from the prior school year to determine poverty funding for the add-on weighting. The Department of Education will continue to work with school districts to determine students eligible for the poverty add-on using the data elements used to determine USDA community eligibility to be used in future years.

Further, the Department of Education may use school district student counts for personalized instruction as collected in the same manner as the prior fiscal year, PowerSchool or other available existing data sources as determined by the department to calculate the school district add on weightings for the personalized instruction classifications and the determination of the school districts monetary entitlement. End of year adjustments shall be based on the one hundred thirty-five day student average daily membership for all classifications. During the current fiscal year the department will update PowerSchool calculations, reports, screen development, documentation, and training to incorporate the new pupil classification weightings and to make final district allocation adjustments by June 30, 2017. The department must provide districts with technical assistance with regard to student count changes in PowerSchool.

SFC: AMEND FURTHER to change: base student cost from “\$2,400” to “\$2,435;” state average per pupil funding from “\$6,096” to “\$6,129” and direct that \$2,349 of that amount comes from the EFA; and average total funding level from “\$13,116” to \$13,149.”

SEN: ADOPT proviso as amended further.

1.3. (SDE: EFA Formula/Base Student Cost Inflation Factor) To the extent possible within available funds, it is the intent of the General Assembly to provide for one hundred percent of full implementation of the Education Finance Act to include an inflation factor projected by the Revenue and Fiscal Affairs Office to match inflation wages of public school employees in the Southeast. The base student cost for the current fiscal year has been determined to be ~~\$2,350~~ \$2,435. For the current fiscal year, the total pupil count is projected to be ~~723,953~~ 721,401. The average per pupil funding is projected to be ~~\$5,827~~ \$6,129 state, *of which \$2,349 comes from the*

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EFA, ~~\$1,245~~ \$1,294 federal, and ~~\$5,542~~ \$5,726 local. This is an average total funding level of ~~\$14,210~~ \$13,149 excluding revenues of local bond issues. For the current fiscal year the South Carolina Public Charter School District and any institution of higher education sponsoring a public charter school shall receive and distribute state EFA funds to the charter school as determined by one hundred percent of the current year's base student cost, as funded by the General Assembly multiplied by the weighted students pupils enrolled in the charter school, which must be subject to adjustment for student attendance.

The Revenue and Fiscal Affairs Office, must post in a prominent place on their website for each school district projections, including the per pupil state, federal and local revenues, excluding revenues of local bond issues, for the current fiscal year. Also, as soon as practicable, upon determining the exact numbers regarding pupil count and funding, the Revenue and Fiscal Affairs Office, shall also post on their website the one hundred thirty-five day average daily membership for each school district and per pupil state, federal and local revenues, excluding revenues of local bond issues, based on the most recent audited financial statement as reported annually pursuant to Section 59-17-100. The Department of Education and the Education Oversight Committee shall provide in a prominent place on their internet websites a link to the information posted by the Revenue and Fiscal Affairs Office, including the projected numbers and the exact numbers.

For the current fiscal year, the pupil classification weightings are as follows:

- | | |
|--|------|
| (1) K-12 pupils or base students including homebound students | 1.00 |
| Students served in licensed residential treatment facilities (RTFs) for children and adolescents as defined under Section 44-7-130 of the 1976 Code shall receive a weighting of 2.10. | |
| (2) Weights for students with disabilities as prescribed in Section 59-20-40(1)(c) Special Programs | |
| (3) Precareer and Career Technology | 1.29 |
| (4) Additional weights for personalized instruction: | |
| (A) Gifted and Talented | 0.15 |
| (B) Academic Assistance | 0.15 |
| (C) Limited English Proficiency | 0.20 |
| (D) Pupils in Poverty | 0.20 |
| (E) Dual Credit Enrollment | 0.15 |

No local match is required for the additional weightings for personalized instruction in the current school year ~~2016-17~~. Charter school per pupil calculations for locally sponsored charters will continue to be calculated according to Section 59-40-140 of the 1976 Code. Students may receive multiple weights for personalized instruction; however, within each weight, students should only be counted once. These weights are defined below:

Gifted and talented students are students who are classified as academically or artistically gifted and talented or who are enrolled in Advanced Placement (AP) and International Baccalaureate (IB) courses in high school. Districts shall set-aside twelve percent of the funds for serving artistically gifted and talented students in grades three through twelve.

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For the current school year, the Department of Education will continue to use counts from the prior school year to determine poverty funding for the add-on weighting. The Department of Education will continue to work with school districts to determine students eligible for the poverty add-on using the data elements used to determine USDA community eligibility to be used in future years.

Further, the Department of Education may use school district student counts for personalized instruction as collected in the same manner as the prior fiscal year, PowerSchool or other available existing data sources as determined by the department to calculate the school district add on weightings for the personalized instruction classifications and the determination of the school districts monetary entitlement. End of year adjustments shall be based on the one hundred thirty-five day student average daily membership for all classifications. During the current fiscal year the department will update PowerSchool calculations, reports, screen development, documentation, and training to incorporate the new pupil classification weightings and to make final district allocation adjustments by June 30, 2017. The department must provide districts with technical assistance with regard to student count changes in PowerSchool.

- 1.28 AMEND VS AMEND FURTHER** (Budget Reduction) Requires local districts to give priority to preserving classroom teachers and operations when compensating for any funding reduction and to first apply reductions to administrative and non-classroom expenses.
WMC: AMEND proviso to also give priority to preserving classroom teachers and operations in the event of a deficit.
HOU: ADOPT proviso as amended.

1.28. (SDE: Budget Reduction) In compensating for any reduction in funding *or deficit*, local districts must give priority to preserving classroom teachers and operations. Funding reductions should first be applied to administrative and non-classroom expenses before classroom expenses are affected.

SFC: AMEND FURTHER to change “deficit” reference to “an operating deficit publically recognized by the School Board of Trustees.”
SEN: ADOPT proviso as amended further.

1.28. (SDE: Budget Reduction) In compensating for any reduction in funding *or an operating deficit publically recognized by the School Board of Trustees*, local districts must give priority to preserving classroom teachers and operations. Funding reductions should first be applied to administrative and non-classroom expenses before classroom expenses are affected.

- 1.58 AMEND VS AMEND FURTHER** (Full-Day 4K) Provides guidelines for participation in and funding for the CDEPP program. *Note: Companion EIA proviso is IA.30.*
WMC: AMEND proviso to direct that public and private providers “shall be funded” rather than “will be reimbursed” and change the rate from “\$4,323” to “\$4,422” and change the private providers transportation reimbursement from “\$550” to “\$563.” Direct that the department only provide funds for public school students whose complete records have been entered into PowerSchool. Authorize the department and First Steps to expand services to additional eligible students who reside in districts that meet certain qualifications if the department or First Steps determine that sufficient carry forward funds and appropriations exist and direct the department and First Steps report to the General Assembly by October 1st on the number of estimated children to be served. Direct the department to annually audit the allocations to public providers to ensure allocations are accurate and properly aligned and to adjust current year allocations if the audit determines the prior year allocations are not accurate. Direct the department to provide audit findings to the General Assembly by December 1st. Direct First Steps to adjust current

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year allocations if the audit determines the prior year allocations are not accurate. Fiscal Impact: First Steps states that the \$99 increase in tuition per child supports RFA's inflation factor and the additional cost of \$254,727 would be supported by current budget levels based on 2,573 children currently enrolled for SC First Steps. The \$13 increase in the transportation reimbursement would cost an additional \$3,757 and would be supported by current budget levels based on 289 children. Requested by SC First Steps for School Readiness and the Department of Education.
HOU: ADOPT proviso as amended.

1.58. (SDE: Full-Day 4K) Eligible students residing in a school district that met the poverty level for participation in the prior school year are eligible to participate in the South Carolina Early Reading Development and Education Program in the current school year. Public and private providers ~~will be reimbursed~~ shall be funded for instructional costs at a rate of ~~\$4,323~~ \$4,422 per student enrolled. Eligible students enrolling during the school year or withdrawing during the school year shall be funded on a pro rata basis determined by the length of their enrollment. Private providers transporting eligible children to and from school shall also be eligible for a reimbursement of ~~\$550~~ \$563 per eligible child transported. All providers who are reimbursed are required to retain records as required by their fiscal agent. New providers participating for the first time in the current fiscal year and enrolling between one and six eligible children shall be eligible to receive up to \$1,000 per child in materials and equipment funding, with providers enrolling seven or more such children eligible for funding not to exceed \$10,000. Providers receiving equipment funding are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the equipment allocation at a level determined by the Department of Education and the Office of First Steps to School Readiness. Funding to providers is contingent upon receipt of data as requested by the Department of Education and the Office of First Steps. The Department of Education shall only provide funding for public school students whose complete records have been entered into PowerSchool.

The South Carolina Early Reading Development and Education Program continues to operate annually with unexpended funds at the end of the fiscal year. Therefore, for the current fiscal year, if the Department of Education or the Office of First Steps determine that carry forward funds and appropriations exist to serve additional eligible children, the Department of Education or the Office of First Steps are authorized to expand services to eligible children who reside in school districts that are contiguous to school districts that met the poverty level for participation in the prior school year. The Department of Education and Office of First Steps must report to the General Assembly by October 1 on the estimated number of children to be served.

Annually, the Department of Education is directed to audit the annual allocations to public providers to ensure that allocations are accurate and aligned to the appropriate pro rata per student allocation, materials, and equipment funding. In the event the department, during the audit process determines that the annual allocations of the prior fiscal year are not accurate, the department must adjust the allocations for the current fiscal year to account for the audit findings. The department must provide the results of the annual audit findings to the General Assembly no later than December 1. Likewise, in the event the Office of First Steps determines that the annual allocations of the prior fiscal year to private providers are not accurate, the Office of First Steps must adjust the allocations for the current fiscal year to account for the findings.

Of the funds appropriated, \$300,000 shall be allocated to the Education Oversight Committee to conduct an annual evaluation of the South Carolina Child Development Education Pilot Program and to issue findings in a report to the General Assembly by January fifteenth of each year. To aid in this evaluation, the Education Oversight Committee shall determine the data

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necessary and both public and private providers are required to submit the necessary data as a condition of continued participation in and funding of the program. This data shall include developmentally appropriate measures of student progress. Additionally, the Department of Education shall issue a unique student identifier for each child receiving services from a private provider. The Department of Education shall be responsible for the collection and maintenance of data on the public state funded full day and half-day four-year-old kindergarten programs. The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers. The Education Oversight Committee shall use this data and all other collected and maintained data necessary to conduct a research based review of the program's implementation and assessment of student success in the early elementary grades.

SFC: AMEND FURTHER to direct that end of year adjustments shall be based on the 135 day student ADM. Delete the authorization for the department and First Steps to expand services to additional eligible students in contiguous school districts.

SEN: ADOPT proviso as amended further.

1.58. (SDE: Full-Day 4K) Eligible students residing in a school district that met the poverty level for participation in the prior school year are eligible to participate in the South Carolina Early Reading Development and Education Program in the current school year. Public and private providers ~~will be reimbursed~~ shall be funded for instructional costs at a rate of ~~\$4,323~~ \$4,422 per student enrolled. Eligible students enrolling during the school year or withdrawing during the school year shall be funded on a pro rata basis determined by the length of their enrollment. Private providers transporting eligible children to and from school shall also be eligible for a reimbursement of ~~\$550~~ \$563 per eligible child transported. All providers who are reimbursed are required to retain records as required by their fiscal agent. New providers participating for the first time in the current fiscal year and enrolling between one and six eligible children shall be eligible to receive up to \$1,000 per child in materials and equipment funding, with providers enrolling seven or more such children eligible for funding not to exceed \$10,000. Providers receiving equipment funding are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the equipment allocation at a level determined by the Department of Education and the Office of First Steps to School Readiness. Funding to providers is contingent upon receipt of data as requested by the Department of Education and the Office of First Steps. The Department of Education shall only provide funding for public school students whose complete records have been entered into PowerSchool and end of year adjustments shall be based on the one hundred and thirty-five day student average daily membership.

Annually, the Department of Education is directed to audit the annual allocations to public providers to ensure that allocations are accurate and aligned to the appropriate pro rata per student allocation, materials, and equipment funding. In the event the department, during the audit process determines that the annual allocations of the prior fiscal year are not accurate, the department must adjust the allocations for the current fiscal year to account for the audit findings. The department must provide the results of the annual audit findings to the General Assembly no later than December 1. Likewise, in the event the Office of First Steps determines that the annual allocations of the prior fiscal year to private providers are not accurate, the Office of First Steps must adjust the allocations for the current fiscal year to account for the findings.

Of the funds appropriated, \$300,000 shall be allocated to the Education Oversight Committee to conduct an annual evaluation of the South Carolina Child Development Education Pilot Program and to issue findings in a report to the General Assembly by January fifteenth of each year. To aid in this evaluation, the Education Oversight Committee shall determine the data

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necessary and both public and private providers are required to submit the necessary data as a condition of continued participation in and funding of the program. This data shall include developmentally appropriate measures of student progress. Additionally, the Department of Education shall issue a unique student identifier for each child receiving services from a private provider. The Department of Education shall be responsible for the collection and maintenance of data on the public state funded full day and half-day four-year-old kindergarten programs. The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers. The Education Oversight Committee shall use this data and all other collected and maintained data necessary to conduct a research based review of the program's implementation and assessment of student success in the early elementary grades.

1.59 AMEND (Summer Reading Camps) Provides for the allocation of funds provided for summer reading camps.

SEN: AMEND proviso to delete the requirement that the EOC document and evaluate partnerships and their impact on student academic success and make recommendations on duplicating effective partnerships throughout the state. Sponsor: Sen. Martin.

1.59.(SDE: Summer Reading Camps) For the current fiscal year, funds appropriated for summer reading camps must be allocated as follows: (1) up to twenty percent to the Department of Education to provide bus transportation for students attending the camps; (2) \$700,000 allocated to the department to provide grants to support community partnerships whereby community organizations shall partner with local school districts to provide enrichment activities as part of after school programs or summer reading camps that utilize volunteers, mentors or tutors to provide instructional support to struggling readers in elementary schools that have a poverty index of forty percent or greater based on the poverty index utilized the prior fiscal year that was student eligibility for the free or reduced price lunch program and Medicaid. All mentors and tutors that are a part of these after school programs or summer reading camps must have passed a SLED criminal background check. Participant to volunteer or teacher ratio must conform to that of the school district in which the program is located. ~~The Education Oversight Committee will document and evaluate the partnerships and the impact of the partnerships on student academic success and make recommendations on the characteristics of effective partnerships and on methods of duplicating effective partnerships throughout the state;~~ and (3) the remainder on a per pupil allocation to each school district based on the number of students who substantially failed to demonstrate third-grade reading proficiency as indicated on the prior year's state assessment as defined by Section 59-155-120 (10) of the 1976 Code. Summer reading camps must be at least six weeks in duration with a minimum of four days of instruction per week and four hours of instruction per day, or the equivalent minimum hours of instruction in the summer. School transportation shall be provided. The camps must be taught by compensated teachers who have at least an add-on literacy endorsement or who have documented and demonstrated substantial success in helping students comprehend grade-level texts. The Department of Education shall assist districts that cannot find qualified teachers to work in the summer camps. Districts may also choose to contract for the services of qualified instructors or collaborate with one or more districts to provide a summer reading camp. Schools and school districts are encouraged to partner with county or school libraries, institutions of higher learning, community organizations, faith-based institutions, businesses, pediatric and family practice medical personnel, and other groups to provide volunteers, mentors, tutors, space, or other support to assist with the provision of the summer reading camps. In the current school year, any student in third grade who substantially fails to demonstrate third-grade reading proficiency by the end of the school year must be offered the opportunity to attend a summer reading camp at no cost to the parent or guardian. The purpose of the reading camp is to provide students who

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are significantly below third-grade reading proficiency with the opportunity to receive quality, intensive instructional services and support. A district may also include in the summer reading camps students who are not exhibiting reading proficiency at any grade and may charge fees for these students to attend the summer reading camps based on a sliding scale pursuant to Section 59-19-90, except where a child is found to be reading below grade level in the first, second or third grade. A parent or guardian of a student who does not substantially demonstrate proficiency in comprehending texts appropriate for his grade level must make the final decision regarding the student's participation in the summer reading camp.

- 1.62 AMEND VS AMEND FURTHER** (Reading/Literacy Coaches) Provides for the allocation and use of funds appropriated for Reading/Literacy Coaches to school districts. Requires the department publish guidelines defining reading/literacy coach minimum qualifications; develop procedures to monitor the use of these funds; and requires the funds to be retained and carried forward for the same purpose and not flexed. *Note: Companion EIA proviso is 1A.61.*
WMC: AMEND proviso, item (A)(1) to change "proficient" to "meets expectations;" specify the reading "sub score of the English language arts" test; and delete reference to "research" test. Amend item (A)(2) to delete reference to scoring below "proficient on the reading and research test during the same period" and instead direct "as referenced in (A)(1)." Amend item (K) to update fiscal year reference to "2017-18." Requested by Department of Education.
HOU: ADOPT proviso as amended.

1.62.(SDE: Reading/Literacy Coaches) (A) Funds appropriated for Reading/Literacy Coaches must be allocated to school districts by the Department of Education as follows:

(1) for each elementary school in which twenty percent or more of the students scored below ~~proficient~~ "meets expectations" on the reading sub score of the English language arts ~~and research~~ test in the most recent year for which such data are available, the school district shall be eligible to receive the lesser of either up to \$62,730 or the actual cost of salary and benefits for a full-time reading/literacy coach; and

(2) for each elementary school in which fewer than twenty percent of the students scored ~~below proficient on the reading and research test during the same period~~ as referenced in (A)(1), the school district shall be eligible to receive the lesser of either up to \$31,365 or fifty percent of the actual cost of salary and benefits for a full-time reading/literacy coach. A school district must provide local support for state funds provided under this paragraph. School districts may use existing local funds currently used for reading assistance as the local support.

(B) By accepting these funds, a school district warrants that they will not be used to supplant existing school district expenditures, except for districts that either are currently, or in the prior fiscal year, were paying for reading/literacy coaches with local funds. A district may, however, assign a reading/literacy coach to a primary school rather than to the elementary school to improve the early literacy skills of young children.

(C) Funds appropriated for reading/literacy Coaches are intended to be used to provide elementary schools with reading/literacy coaches who shall serve according to the provisions in Chapter 155 of Title 59.

(D) Schools and districts accepting funding to support a coaching position agree that the reading/literacy coach must not serve as an administrator. If the department finds that school districts are using these funds for administrative costs as defined in statute they must withhold that districts remaining balance of funds allocated pursuant to this proviso.

(E) The Department of Education must publish guidelines that define the minimum qualifications for a reading/literacy coach. These guidelines must deem any licensed/certified teacher qualified if, at a minimum, he or she:

(1) holds a bachelor's degree or higher and an add-on endorsement for literacy coach or literacy specialist; or

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(2) holds a bachelor's degree or higher and is actively pursuing the literacy coach or literacy specialist endorsement; or

(3) holds a master's degree or higher in reading or a closely-related field.

Within these guidelines, the Department of Education must assist districts in identifying a reading/literacy coach in the event that the school is not successful in identifying and directly employing a qualified candidate. The provisions of subsection (A), including the local support requirements, shall also apply to any allocations made pursuant to this paragraph.

(F) The Department of Education must develop procedures for monitoring the use of funds appropriated for reading/literacy coaches to ensure they are applied to their intended uses and are not redirected for other purposes. The Department of Education may receive up to \$100,000 of the funds appropriated for reading/literacy coaches in order to implement this program, provided that this allocation does not exceed the department's actual costs.

(G) Prior to the close of the current fiscal year, any unspent or unallocated funds for reading/literacy coaches shall be used to fund Summer Reading Camps.

(H) The Department of Education shall require:

(1) any school district receiving funding under subsection (A) to identify the name and qualifications of the supported reading/literacy coach; as well as the school in which the coach is assigned; and

(2) any school district receiving funding under subsection (G) to account for the specific amounts and uses of such funds.

(I) With the data reported by the school districts, the department shall report by January fifteenth of the current fiscal year on the hiring of and assignment of reading/literacy coaches by school. The department shall also report the amount of funds that will be used for Summer Reading Camps.

(J) Funds appropriated for reading/literacy coaches shall be retained and carried forward to be used for the same purpose but may not be flexed.

(K) For Fiscal Year ~~2016-17~~ 2017-18, if increased funding for reading/literacy coaches is not sufficient to provide additional reading/literacy coaches at each elementary school then the funding must be targeted to the areas of greatest need based on the number of students substantially failing to demonstrate reading proficiency as indicated on the prior year's state assessment.

SFC: AMEND FURTHER (A)(1) and (A)(2) to delete reference to "either."

SEN: ADOPT proviso as amended further.

1.62.(SDE: Reading/Literacy Coaches) (A) Funds appropriated for Reading/Literacy Coaches must be allocated to school districts by the Department of Education as follows:

(1) for each elementary school in which twenty percent or more of the students scored below ~~proficient~~ "meets expectations" on the reading sub score of the English language arts ~~and research~~ test in the most recent year for which such data are available, the school district shall be eligible to receive the lesser of ~~either~~ up to \$62,730 or the actual cost of salary and benefits for a full-time reading/literacy coach; and

(2) for each elementary school in which fewer than twenty percent of the students scored ~~below proficient on the reading and research test during the same period~~ as referenced in (A)(1), the school district shall be eligible to receive the lesser of ~~either~~ up to \$31,365 or fifty percent of the actual cost of salary and benefits for a full-time reading/literacy coach. A school district must provide local support for state funds provided under this paragraph. School districts may use existing local funds currently used for reading assistance as the local support.

(B) By accepting these funds, a school district warrants that they will not be used to supplant existing school district expenditures, except for districts that either are currently, or in the prior fiscal year, were paying for reading/literacy coaches with local funds. A district may, however,

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assign a reading/literacy coach to a primary school rather than to the elementary school to improve the early literacy skills of young children.

(C) Funds appropriated for reading/literacy Coaches are intended to be used to provide elementary schools with reading/literacy coaches who shall serve according to the provisions in Chapter 155 of Title 59.

(D) Schools and districts accepting funding to support a coaching position agree that the reading/literacy coach must not serve as an administrator. If the department finds that school districts are using these funds for administrative costs as defined in statute they must withhold that districts remaining balance of funds allocated pursuant to this proviso.

(E) The Department of Education must publish guidelines that define the minimum qualifications for a reading/literacy coach. These guidelines must deem any licensed/certified teacher qualified if, at a minimum, he or she:

(1) holds a bachelor's degree or higher and an add-on endorsement for literacy coach or literacy specialist; or

(2) holds a bachelor's degree or higher and is actively pursuing the literacy coach or literacy specialist endorsement; or

(3) holds a master's degree or higher in reading or a closely-related field.

Within these guidelines, the Department of Education must assist districts in identifying a reading/literacy coach in the event that the school is not successful in identifying and directly employing a qualified candidate. The provisions of subsection (A), including the local support requirements, shall also apply to any allocations made pursuant to this paragraph.

(F) The Department of Education must develop procedures for monitoring the use of funds appropriated for reading/literacy coaches to ensure they are applied to their intended uses and are not redirected for other purposes. The Department of Education may receive up to \$100,000 of the funds appropriated for reading/literacy coaches in order to implement this program, provided that this allocation does not exceed the department's actual costs.

(G) Prior to the close of the current fiscal year, any unspent or unallocated funds for reading/literacy coaches shall be used to fund Summer Reading Camps.

(H) The Department of Education shall require:

(1) any school district receiving funding under subsection (A) to identify the name and qualifications of the supported reading/literacy coach; as well as the school in which the coach is assigned; and

(2) any school district receiving funding under subsection (G) to account for the specific amounts and uses of such funds.

(I) With the data reported by the school districts, the department shall report by January fifteenth of the current fiscal year on the hiring of and assignment of reading/literacy coaches by school. The department shall also report the amount of funds that will be used for Summer Reading Camps.

(J) Funds appropriated for reading/literacy coaches shall be retained and carried forward to be used for the same purpose but may not be flexed.

(K) For Fiscal Year ~~2016-17~~ 2017-18, if increased funding for reading/literacy coaches is not sufficient to provide additional reading/literacy coaches at each elementary school then the funding must be targeted to the areas of greatest need based on the number of students substantially failing to demonstrate reading proficiency as indicated on the prior year's state assessment.

1.69 AMEND VS AMEND FURTHER (Teacher Salary Schedule Structure) Directs the department to convene certain stakeholders to examine and make recommendations on changes to the statewide minimum state teacher salary schedule and include extending steps, the beginning teacher salary and each district's salary schedule structure in the examination. Directs that information on salary needs for each of the districts that are or were in the original trial and

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plaintiff school districts in the ca law suit be included. Directs recommendations be provided to the Chairmen of the Senate Finance and House Ways and Means Committees.

WMC: AMEND proviso to direct the department to provide recommendations on modifying the structure of the teacher salary schedule along with the potential fiscal impact of implementing the modifications to the Chairmen of the Senate Finance and House Ways and Means Committees by October 1, 2017. Requested by Department of Education.

HOU: ADOPT proviso as amended.

1.69. (SDE: Teacher Salary Schedule Structure) The Department of Education shall convene stakeholders to include: Palmetto State Teachers Association, South Carolina School Business Officials, South Carolina Association of School Administrators, South Carolina School Boards Association, South Carolina Education Association, and the Education Oversight Committee to examine and make recommendations regarding changes to the statewide minimum state teacher salary schedule to include extending the steps on the state teacher salary schedule; an examination of the beginning teacher salary; and an examination of each district's salary schedule structure. The department shall also include information from each of the districts who are, or were, the original trial and plaintiff school districts in the Abbeville law suit regarding salary needs in those districts. Recommendations shall be provided on the modification of the teacher salary schedule structure and the potential fiscal impact on implementing the modification recommendations to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by October 1, 2017.

SFC: AMEND FURTHER to add CERRA to the list of stakeholders.

SEN: ADOPT proviso as amended further.

1.69. (SDE: Teacher Salary Schedule Structure) The Department of Education shall convene stakeholders to include: Palmetto State Teachers Association, South Carolina School Business Officials, South Carolina Association of School Administrators, South Carolina School Boards Association, South Carolina Education Association, ~~and~~ the Education Oversight Committee and CERRA to examine and make recommendations regarding changes to the statewide minimum state teacher salary schedule to include extending the steps on the state teacher salary schedule; an examination of the beginning teacher salary; and an examination of each district's salary schedule structure. The department shall also include information from each of the districts who are, or were, the original trial and plaintiff school districts in the Abbeville law suit regarding salary needs in those districts. Recommendations shall be provided on the modification of the teacher salary schedule structure and the potential fiscal impact on implementing the modification recommendations to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by October 1, 2017.

1.72 **AMEND VS AMEND FURTHER** (CDEPP Unexpended Funds) Provides for the retention and expenditure of prior year CDEPP funds by First Steps and requires a report to the Chairmen of the Senate Finance and House Ways and Means Committees on how the funds were spent. *Note: Companion EIA proviso is 1A.65.*

WMC: AMEND proviso to update fiscal year reference to "2017-18;" delete calendar year reference on report due of April 1, "2017;" and also require the Department of Education report on how these funds were spent. Requested by SC First Steps to School Readiness and Department of Education.

HOU: ADOPT proviso as amended.

1.72. (SDE: CDEPP Unexpended Funds) For Fiscal Year ~~2016-17~~ 2017-18, the Office of First Steps to School Readiness is permitted to retain the first \$1,000,000 of any unexpended

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CDEPP funds of the prior fiscal year and expend these funds to enhance the quality of the full-day 4K program in private centers and provide professional development opportunities.

By August first, the Office of First Steps is directed to allocate any additional unexpended CDEPP funds from the prior fiscal year and any CDEPP funds carried forward from prior fiscal years that were transferred to the restricted account for the following purpose: Education Oversight Committee - \$1,000,000 for the South Carolina Community Block Grants for Education Pilot Program.

If carry forward funds are less than the amounts appropriated, funding for the items listed herein shall be reduced on a pro rata basis.

If by August first, school districts eligible to receive full-day 4K funding opt to not participate in the program, the Department of Education is authorized to utilize unexpended funds to increase participation on a per pupil basis for districts eligible for participation who have a documented waiting list. The per pupil allocation and classroom grant must conform with the appropriated amount contained in this Act. Funds may also be used to provide professional development and quality evaluations of programs.

No later than April 1, ~~2017~~, *the Department of Education and* the Office of First Steps must report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the expenditure of these funds to include the following information: the amount of money used and specific steps and measures taken to enhance the quality of the 4K program and the amount of money used for professional development as well as the types of professional development offered and the number of participants.

SFC: AMEND FURTHER to delete authorization for the department to use funds available from school districts opting out of participating in the CDEPP program to increase participation and instead direct that if the department or First Steps determine funds will be available, to allocate the funds first to districts with a documented waiting list and then to districts to increase the length of the program to up to 8 ½ hours per day and 20 day per year or to fund summer programs. Provide for how a district is to use the funds for summer programs; direct that the program be up to 8 ½ hours per day for up to 10 weeks. Direct that end of year adjustments be based on the 135 day student ADM or later student ADM for districts that extend the program past 180 days.

SEN: ADOPT proviso as amended further.

1.72. (SDE: CDEPP Unexpended Funds) For Fiscal Year ~~2016-17~~ 2017-18, the Office of First Steps to School Readiness is permitted to retain the first \$1,000,000 of any unexpended CDEPP funds of the prior fiscal year and expend these funds to enhance the quality of the full-day 4K program in private centers and provide professional development opportunities.

By August first, the Office of First Steps is directed to allocate any additional unexpended CDEPP funds from the prior fiscal year and any CDEPP funds carried forward from prior fiscal years that were transferred to the restricted account for the following purpose: Education Oversight Committee - \$1,000,000 for the South Carolina Community Block Grants for Education Pilot Program.

If carry forward funds are less than the amounts appropriated, funding for the items listed herein shall be reduced on a pro rata basis.

If by August first, *the Department of Education or the Office of First Steps determines there will be funds available, funds shall be allocated* ~~school districts eligible to receive full day 4K funding opt to not participate in the program, the Department of Education is authorized to utilize unexpended funds to increase participation~~ on a per pupil basis for districts eligible for participation *first*, who have a documented waiting list, *then to districts to increase the length of the program to a maximum of eight and a half hours per day or two hundred and twenty days per year or to fund summer programs. If a district chooses to fund summer enrollment the program funding shall conform to the funding in this act for full year programs, however shall be reduced*

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on a pro rata basis to conform with the length of the program. A summer program shall be no more than eight and a half hours per day and shall be not more than ten weeks in length. The per pupil allocation and classroom grant must conform with the appropriated amount contained in this Act and end of year adjustments shall be based on the one hundred and thirty five day student average daily membership or later student average daily membership for districts choosing to extend the program past one hundred and eighty days. Funds may also be used to provide professional development and quality evaluations of programs.

No later than April 1, 2017, the Department of Education and the Office of First Steps must report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the expenditure of these funds to include the following information: the amount of money used and specific steps and measures taken to enhance the quality of the 4K program and the amount of money used for professional development as well as the types of professional development offered and the number of participants.

- 1.75** **AMEND** (Data Maintenance and Collection) Directs that personally identifiable information for teacher candidates and teachers that is collected and maintained by the department shall be treated as personnel records and not be subject to public disclosure.
SFC: AMEND proviso to direct the department to use funds appropriated to procure and maintain a new Education Evaluation Data System to work with higher education institutions to provide teacher prep programs with certain aggregate, non-personally identifiable educator effectiveness data. Specify that educator effectiveness data shall remain private and that shared data will be only be used to evaluate educator prep programs.
SEN: ADOPT proviso as amended.

1.75. (SDE: Data Maintenance and Collection) For the current fiscal year and from the funds appropriated to the department ~~for the collection and maintenance of data, personally identifiable information of teacher candidates and teachers collected and maintained by the Department of Education~~ to procure and maintain licenses for a new Education Evaluation Data System, the department shall work with institutions of higher education to provide teacher preparation programs with aggregate, non-personally identifiable educator effectiveness data related to domain performance ratings, student growth data, and overall final ratings for graduates of the educator preparation program. Data collected on educator effectiveness shall remain private and shall be treated as personnel records and shall not be subject to public disclosure for any reason. The data shared with institutions of higher education per memorandum of agreement shall be used solely for the purpose of evaluating the educator preparation programs.

- 1.85** **ADD VS AMEND NEW PROVISO** (Military Child Care Centers) **WMC:** ADD new proviso to allow First Steps to extend 4K provider eligibility to military child care settings that are regulated by the US Department of Defense. Fiscal Impact: First Steps states that the fiscal impact is estimated to be \$442,200, which is an estimated 100 additional children as well as \$50,000 in class room supplies which comes to a total of \$492,000, but that these costs can be absorbed by the program with its current funding. Requested by SC First Steps to School Readiness.
HOU: ADOPT new proviso.

1.85. (SDE: Military Child Care Centers) During the current fiscal year, South Carolina First Steps to School Readiness may extend four-year-old kindergarten provider eligibility to military child care settings regulated by the United States Department of Defense.

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SFC: AMEND new proviso to require state funds appropriated for use in military child care facilities to be used to expand services to CERDEP eligible children who live in school districts that were approved for participation in the prior fiscal year and direct that the funds may not be used to supplant existing federal child care investment.

SEN: ADOPT new proviso as amended.

1.85. (SDE: Military Child Care Centers) During the current fiscal year, South Carolina First Steps to School Readiness may extend four-year-old kindergarten provider eligibility to military child care settings regulated by the United States Department of Defense. State funds appropriated for use in military child care facilities must be used to expand service to CERDEP eligible children residing in school districts approved for participation during the prior fiscal year and may not be used to supplant any existing federal child care investment.

- 1.86 ADD VS AMEND NEW PROVISO (First Steps 4K Underserved Communities) WMC:** ADD new proviso to direct First Step to use CDEPP funds to develop a pilot program to expand 4K enrollment in underserved communities and direct that newly created and/or approved private providers, under certain conditions, may receive up to \$30,000 in supplemental, needs-based incentives. Direct First Steps to submit an expenditure and expanded enrollment report to the Chairman of the House Ways and Means and Senate Finance Committees by March 15, 2018.
- HOU:** ADOPT new proviso.

1.86. (SDE: First Steps 4K Underserved Communities) Using funds appropriated for the Child Early Reading and Development Education Program, South Carolina First Steps shall develop a pilot program to expand four-year-old kindergarten enrollment within underserved communities. Newly-created and/or newly-approved private providers in communities enrolling less than 80% of eligible students in a public, private, or Head Start setting during the prior fiscal year, may receive up to \$30,000 in supplemental, needs-based incentives designed to address necessary building renovations, materials and staffing costs, and/or other obstacles currently preventing their participation in the First Steps 4K program. First Steps shall submit a report detailing its expenditures and expanded enrollment to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee by March 15, 2018.

SFC: AMEND new proviso to specify that expansion shall be within underserved communities that were eligible in the most recent fiscal year. Direct that to be eligible to “apply for” up to \$30,000 of one-time supplemental need-based incentives the newly created and/or approved private provider must propose to expand services to 10 or more CERDEP eligible children and require building renovations to be documented as necessary to bring proposed classrooms into compliance with licensing regulations. Require the First Steps Board of Trustees to develop and approve an application process to ensure grant funds are used to address documented barriers to program participation. Require providers that receive the supplement to participate in the program for at least 3 years and direct that failure to do so will result in First Steps determining what portion of the funds must be returned.

SEN: ADOPT new proviso as amended.

1.86. (SDE: First Steps 4K Underserved Communities) Using funds appropriated for the Child Early Reading and Development Education Program, South Carolina First Steps shall develop a pilot program to expand four-year-old kindergarten enrollment within underserved communities eligible for participation during the most recent fiscal year. Newly-created and/or newly-approved private providers proposing to expand service to ten or more CERDEP eligible children in communities enrolling less than 80% of eligible students in a public, private, or Head Start setting during the prior fiscal year, may apply for up to \$30,000 in one-time supplemental,

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needs-based incentives designed to address building renovations, documented as necessary to bring proposed classrooms into compliance with licensing regulations, materials and staffing costs, and/or other obstacles currently preventing their participation in the First Steps 4K program. The First Steps Board of Trustees shall develop and approve an application process that incorporates formal review and fiscal safeguards designed to ensure grant funds are used solely to address documented barriers to program participation. Providers receiving this one-time supplement are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the supplemental allocation at a level determined by the Office of First Steps to School Readiness. First Steps shall submit a report detailing its process, expenditures and expanded enrollment to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee by March 15, 2018.

- 1.87 ADD VS AMEND NEW PROVISO (School Leadership) WMC:** ADD new proviso to direct the department to use \$400,000 of Professional Development funds to contract with a non-profit leadership development provider that specializes in multiple assessments, executive coaching, and leadership development that provides school leadership progressive career path skills. Requested by SC Association of School Administrators.

HOU: ADOPT new proviso.

1.87. (SDE: School Leadership) Of the funds appropriated to the department for Professional Development, \$400,000 shall be used to contract with a non-profit leadership development provider. The provider must specialize in multiple assessments, executive coaching, and leadership development that provides the skills necessary for a progressive career path in school leadership.

SFC: AMEND new proviso to specify “and retained by” the department.

SEN: ADOPT new proviso as amended.

1.87. (SDE: School Leadership) Of the funds appropriated to and retained by the department for Professional Development, \$400,000 shall be used to contract with a non-profit leadership development provider. The provider must specialize in multiple assessments, executive coaching, and leadership development that provides the skills necessary for a progressive career path in school leadership.

- 1.88 ADD VS DELETE NEW PROVISO (CDEP Overpayment) WMC:** ADD new proviso to direct that school districts are not required to return any overpayment of CDEP funds they received in school year 2015-16 due to a department calculation error. Prohibit the department from requiring school districts to return such overpayment.

HOU: ADOPT new proviso.

1.88. (SDE: CDEP Overpayment) School districts that received an overpayment of CDEP funds in school year 2015-16 due to a Department of Education calculation error shall not be required to return such overpayment to the Department of Education. The Department of Education shall be prohibited from requiring school districts to return any such overpayment of CDEP funds.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

1.88. (SDE: CDEP Overpayment) DELETED

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- 1.89** **ADD** (Carry Forward) **SFC:** ADD new proviso to direct the department to allocate \$30 million from carry forward or unencumbered or unobligated cash balances for the School Districts Capital Improvement Plan as set forth in this Act. *Companion EIA proviso is 1A.85.*
SEN: ADOPT new proviso.

1.89. (SDE: Carry Forward) For Fiscal Year 2017-18, the Department of Education is directed to allocate \$30,000,000 from carry forward or unencumbered or unobligated cash balances for the School Districts Capital Improvement Plan as set forth in this Act.

- 1.90** **ADD** (Poverty) **SFC:** ADD new proviso to direct that students who were eligible to receive funds in the prior fiscal year according to the EFA Poverty weighting pursuant to proviso 1.3 are eligible to receive those funds for FY 2017-18.
SEN: ADOPT new proviso.

1.90. (SDE: Poverty) Students eligible in the prior fiscal year to receive funding according to the Poverty weighting in the Education Finance Act pursuant to proviso 1.3 in this Act, are eligible to receive those funds for Fiscal Year 2017-18.

- 1.91** **ADD** (School Bus Drivers) **SFC:** ADD new proviso to direct that a driver candidate must have a valid driver's license that meets the requirements to operate commercial and non-commercial school bus type vehicles with no restrictions other than vision correction. Require candidates to complete all department classroom and behind-the-wheel training requirements, a medical exam, and drug/alcohol testing for initial certification and to complete all annual in-service training required by the department to continue to qualify for certification.
SEN: ADOPT new proviso.

1.91. (SDE: School Bus Drivers) For the current fiscal year, a driver candidate must possess a valid driver's license that meets the requirements in State and Federal law to operate commercial and non-commercial school bus type vehicles with no restrictions other than vision correction to qualify for issuance. Driver candidates must complete all Department of Education classroom and behind-the-wheel training requirements, including a medical examination and drug/alcohol testing, for initial certification as well as all Department of Education required in-service training annually to qualify for continued certification.

- 1.92** **ADD** (Committee on Educator Retention and Recruitment) **SFC:** ADD new proviso to direct the Superintendent of Education to convene a study committee to address educator recruitment and retention and to identify the causes of teacher shortages and the future demand for teachers. Direct the study committee development recommendations for the General Assembly's consideration. Provide for the composition of the study committee; direct the department to provide staff support with assistance, upon request, from staff of the Senate Education and House Education and Public Works Committees. Direct that findings and recommendations be submitted to the General Assembly by December 31, 2017.
SEN: ADOPT new proviso.

1.92. (SDE: Committee on Educator Retention and Recruitment) From the funds appropriated to the department, the Superintendent of Education shall initiate convening a study committee to address the issue of educator recruitment and retention to include identification of the causes of teacher shortages and the state's educational system's future demand for teachers. The study committee shall develop recommendations for the General Assembly to consider which include, but are not limited to, building teacher recruitment; alternative certification; financial incentives; induction and mentorship; evaluation and feedback; and teacher leadership.

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The study committee shall be comprised of the following members:

- (1) Chairman of the Senate Education Committee, or his designee;
- (2) Chairman of the House Education and Public Works Committee, or his designee;
- (3) Chairman of the Senate Labor, Commerce, and Industry Committee, or his designee;
- (4) Chairman of the House Labor, Commerce, and Industry Committee, or his designee;
- (5) Senate Majority Leader, or his designee;
- (6) Senate Minority Leader, or his designee;
- (7) House Majority Leader, or his designee;
- (8) House Minority Leader, or his designee;
- (9) Chairman of the State Board of Education, or his designee;
- (10) Chairman of the Palmetto State Teacher's Association, or his designee;
- (11) Chairman of the South Carolina Education Association, or his designee;
- (12) Superintendent from a small School District appointed by the Governor;
- (13) Superintendent from a medium School District appointed by the Governor;
- (14) Superintendent from a large School District appointed by the Governor;

Of the three Superintendents appointed by the Governor, at least one Superintendent must come from a plaintiff or trial district in the Abbeville lawsuit;

- (15) Executive Director of CERRA;
- (16) Chairman of the Education Oversight Committee;
- (17) Two Deans of Colleges of Education appointed by the Governor; and
- (18) State Superintendent of Education who shall serve as Chairman of the Committee.

Staff support shall be provided by the Department of Education, with assistance from the staffs of the Senate Education Committee and the House Education and Public Works Committee, upon request. Findings and recommendations shall be submitted to the General Assembly by December 31, 2017.

- 1.93** **ADD** (Big Brothers Big Sisters) **SEN:** ADD new proviso to direct the department, from their 10% carry forward, to transfer \$50,000 to Big Brothers Big Sisters of the Upstate and \$50,000 to Big Brothers Big Sisters - Carolina Youth Development Center to support educational activities. Sponsor: Sen. Timmons.

1.93. (SDE: Big Brothers Big Sisters) Of the funds retained and carried forward by the Department of Education pursuant to proviso 117.23, the Department of Education is directed to transfer up to \$50,000 to Big Brothers Big Sisters of the Upstate and up to \$50,000 to Big Brothers Big Sisters - Carolina Youth Development Center to support educational activities.

- 1.94** **ADD** (Hold Harmless) **SEN:** ADD new proviso to direct that \$5,000,000 appropriated for the Education Foundation Supplement from proviso 8.2 (ETV: Spectrum Auction) shall be distributed to school districts that would recognize a loss in state funding as a result of using the imputed index of taxpaying ability; authorize the funds to be reduced on a pro-rata basis if there are not enough funds to cover the full loss; and direct that a local match is not required. Sponsors: Sens. Bennett, Climer, and Gregory.

1.94. (SDE: Hold Harmless) The Department of Education shall distribute the \$5,000,000 appropriated from Proviso 8.2 for the Education Foundation Supplement distributed to public school districts which would in the current fiscal year recognize a loss in State financial requirement of the foundation program by utilizing an Index of Taxpaying Ability which imputes the assessed value of owner occupied property compared to the State financial requirement of the same Index of Taxpaying Ability without an imputed value of owner-occupied homes. Funds in the Education Foundation Supplement must be distributed to the school districts receiving a loss, in an amount equal to the amount of the loss. If funds are not sufficient to cover the full

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loss, funds will be reduced on a pro rata basis. This supplement shall not require a local financial requirement.

- 1.95** **ADD** (Save the Children) **HOU2:** AMEND House version to ADD new proviso to direct the department to transfer up to \$200,000 of their 10% carry forward funds to Save the Children. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire. *Note: Proviso was 1.89 in HOU2 version.*

1.95. (SDE: Save the Children) Of the funds retained and carried forward by the Department of Education pursuant to proviso 117.23, the Department of Education is directed to transfer up to \$200,000 to Save the Children.

SECTION 1A - H630 - DEPARTMENT OF EDUCATION-EIA

- 1A.9** **AMEND VS AMEND FURTHER** (Teacher Supplies) Provides guidelines for distributing teacher supply reimbursement of up to \$275 each school year to offset the expenses teachers have incurred for teaching supplies and materials. Allows any classroom teacher, including those at a S.C. private schools that are not eligible for this reimbursement to claim a refundable income tax credit on their 2016 tax return.

WMC: AMEND proviso to delete references to receiving “reimbursement” of \$275 and instead provide a method and timeframe to disburse the funds to eligible teachers by direct deposit or by prepaid card. Amend to update tax return references to “2017.” Requested by School Districts.

HOU: ADOPT proviso as amended.

1A.9. (SDE-EIA: Teacher Supplies) All certified and non-certified public school teachers identified in PCS, certified special school classroom teachers, certified media specialists, certified guidance counselors, and career specialists who are employed by a school district, a charter school, or lead teachers employed in a publically funded full day 4K classroom approved by the South Carolina First Steps to School Readiness, as of November thirtieth of the current fiscal year, based on the public decision of the school board may receive reimbursement of two hundred seventy-five dollars each school year to offset expenses incurred by them for teaching supplies and materials. Funds shall be disbursed by the department to School districts by July fifteenth based on the last reconciled Professional Certified Staff (PCS) listing from the previous year. With remaining funds for this program, any deviation in the PCS and actual teacher count will be reconciled by December thirty-first or as soon as practicable thereafter. Based on the public decision of the school district and no later than May 15 annually, the district shall notify all individuals entitled to receive these funds the manner in which the funds will be dispersed. ~~these funds shall~~ Funds may be disbursed to each teacher via check in a manner separate and distinct from their payroll check on the first day teachers, by contract, are required to be in attendance at school for the current contract year, or the funds may be disbursed to each teacher via direct deposit as long as the funds are handled in a manner to be separate and distinct from their payroll check. Funds may also be disbursed using a prepaid card on the first day teachers, by contract, are required to be in attendance at school for the current contract year. Upon request of the teacher, a school district must give the teacher the option of being reimbursed by a debit card. This reimbursement These funds shall not be considered by the state as taxable income. Special schools include the Governor’s School for Science and Math, the Governor’s School for the Arts and Humanities, Wil Lou Gray Opportunity School, John de la Howe School, School for the Deaf and the Blind, Felton Lab, Department of Juvenile Justice, and Palmetto Unified School District. Funds distributed to school districts or allocated to schools must not supplant existing supply money paid to teachers from other sources. If a school district requires receipts for tax purposes the receipts may not be required before December thirty-first. Districts

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that do not wish to require receipts may have teachers retain the receipts and certify for the district they have received the allocation for purchase of teaching supplies and/or materials and that they have purchased or will purchase supplies and/or materials during the fiscal year for the amount of the allocation. Districts shall not have an audit exception related to non-retention of receipts in any instances where a similar instrument is utilized. Any district requiring receipts must notify any teacher from whom receipts have not been submitted between November twenty-fifth and December sixth that receipts must be submitted to the district. Districts may not add any additional requirement not listed herein related to ~~this reimbursement~~ *these funds*.

Any classroom teacher, including a classroom teacher at a South Carolina private school, that is not eligible for the ~~reimbursement~~ *funds* allowed by this provision, may claim a refundable income tax credit on the teacher's ~~2016~~ 2017 tax return, provided that the return or any amended return claiming the credit is filed prior to the end of the fiscal year. The credit is equal to two hundred seventy-five dollars, or the amount the teacher expends on teacher supplies and materials, whichever is less. If any expenditures eligible for a credit are made after December thirty-first, the teacher may include the expenditures on his initial return or may file an amended ~~2016~~ 2017 return claiming the credit, so long as the return or amended return is filed in this fiscal year. The Department of Revenue may require whatever proof it deems necessary to implement the credit provided by this part of this provision. Any person receiving ~~the reimbursement~~ *funds* provided by this proviso is ineligible to take the income tax credit allowed by this proviso.

SFC: AMEND FURTHER to reinsert references to “reimbursement” and delete references to “funds.” Delete authorization for the funds to be disbursed using a prepaid card.

SEN: ADOPT proviso as amended further.

1A.9. (SDE-EIA: Teacher Supplies) All certified and non-certified public school teachers identified in PCS, certified special school classroom teachers, certified media specialists, certified guidance counselors, and career specialists who are employed by a school district, a charter school, or lead teachers employed in a publically funded full day 4K classroom approved by the South Carolina First Steps to School Readiness, as of November thirtieth of the current fiscal year, based on the public decision of the school board may receive reimbursement of two hundred seventy-five dollars each school year to offset expenses incurred by them for teaching supplies and materials. Funds shall be disbursed by the department to School districts by July fifteenth based on the last reconciled Professional Certified Staff (PCS) listing from the previous year. With remaining funds for this program, any deviation in the PCS and actual teacher count will be reconciled by December thirty-first or as soon as practicable thereafter. Based on the public decision of the school district and no later than May 15 annually, the district shall notify all individuals entitled to receive these funds the manner in which the funds will be dispersed. ~~these funds shall~~ Funds may be disbursed to each teacher via check in a manner separate and distinct from their payroll check on the first day teachers, by contract, are required to be in attendance at school for the current contract year, or the funds may be disbursed to each teacher via direct deposit as long as the funds are handled in a manner to be separate and distinct from their payroll check. ~~Upon request of the teacher, a school district must give the teacher the option of being reimbursed by a debit card.~~ This reimbursement shall not be considered by the state as taxable income. Special schools include the Governor’s School for Science and Math, the Governor’s School for the Arts and Humanities, Wil Lou Gray Opportunity School, John de la Howe School, School for the Deaf and the Blind, Felton Lab, Department of Juvenile Justice, and Palmetto Unified School District. Funds distributed to school districts or allocated to schools must not supplant existing supply money paid to teachers from other sources. If a school district requires receipts for tax purposes the receipts may not be required before December thirty-first. Districts that do not wish to require receipts may have teachers retain the receipts and certify for the district they have received the allocation for purchase of teaching supplies and/or materials

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and that they have purchased or will purchase supplies and/or materials during the fiscal year for the amount of the allocation. Districts shall not have an audit exception related to non-retention of receipts in any instances where a similar instrument is utilized. Any district requiring receipts must notify any teacher from whom receipts have not been submitted between November twenty-fifth and December sixth that receipts must be submitted to the district. Districts may not add any additional requirement not listed herein related to this reimbursement.

Any classroom teacher, including a classroom teacher at a South Carolina private school, that is not eligible for the reimbursement allowed by this provision, may claim a refundable income tax credit on the teacher's ~~2016~~ 2017 tax return, provided that the return or any amended return claiming the credit is filed prior to the end of the fiscal year. The credit is equal to two hundred seventy-five dollars, or the amount the teacher expends on teacher supplies and materials, whichever is less. If any expenditures eligible for a credit are made after December thirty-first, the teacher may include the expenditures on his initial return or may file an amended ~~2016~~ 2017 return claiming the credit, so long as the return or amended return is filed in this fiscal year. The Department of Revenue may require whatever proof it deems necessary to implement the credit provided by this part of this provision. Any person receiving the reimbursement provided by this proviso is ineligible to take the income tax credit allowed by this proviso.

1A.15 AMEND VS RESTORE ORIGINAL PROVISO (Teacher Salary Supplement) Directs the department to carry forward unobligated teacher salary supplement and employer contribution funds to be used for the same purpose and allows unexpended teacher salary supplement funds to be used for shortfalls in associated employer contributions funds.

WMC: AMEND proviso to replace "same purpose" with "Abbeville Equity Districts Capital Improvement Plan pursuant to proviso 1A.50." Delete directive for funding shortfalls.

HOU: ADOPT proviso as amended.

1A.15. (SDE-EIA: Teacher Salary Supplement) The department is directed to carry forward prior year unobligated teacher salary supplement and related employer contribution funds into the current fiscal year to be used for the ~~same purpose~~ Abbeville Equity Districts Capital Improvement Plan pursuant to proviso 1A.50. ~~Any unexpended funds in teacher salary supplement may be used to fund shortfalls in the associated employer contribution funding in the current fiscal year.~~

SFC: RESTORE original proviso.

SEN: ADOPT original proviso.

1A.15. (SDE-EIA: Teacher Salary Supplement) The department is directed to carry forward prior year unobligated teacher salary supplement and related employer contribution funds into the current fiscal year to be used for the same purpose. Any unexpended funds in teacher salary supplement may be used to fund shortfalls in the associated employer contribution funding in the current fiscal year.

1A.16 AMEND VS RESTORE ORIGINAL PROVISO (Dropout Prevention and High Schools That Work Programs) Requires the department to report annually on the effectiveness of drop-out prevention programs funded by the EEDA and on the progress and effectiveness of the High Schools That Work Programs. Authorizes High Schools That Work funds to be carried forward.

WMC: AMEND proviso to delete carry forward authorization.

HOU: ADOPT proviso as amended.

1A.16. (SDE-EIA: Dropout Prevention and High Schools That Work Programs) The Department of Education must report annually by December first, to the Governor, the Chairman

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of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Education Committee, and the Chairman of the House Education and Public Works Committee on the effectiveness of dropout prevention programs funded by the Education and Economic Development Act and on the High Schools that Work Programs' progress and effectiveness in providing a better prepared workforce and student success in post-secondary education. ~~The department, school districts, and special schools may carry forward unexpended funds from the prior fiscal year into the current fiscal that were allocated for High Schools That Work.~~

SFC: RESTORE original proviso to reinsert last sentence regarding authorization to carry forward unexpended funds.

SEN: ADOPT original proviso.

1A.16. (SDE-EIA: Dropout Prevention and High Schools That Work Programs) The Department of Education must report annually by December first, to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Education Committee, and the Chairman of the House Education and Public Works Committee on the effectiveness of dropout prevention programs funded by the Education and Economic Development Act and on the High Schools that Work Programs' progress and effectiveness in providing a better prepared workforce and student success in post-secondary education. The department, school districts, and special schools may carry forward unexpended funds from the prior fiscal year into the current fiscal that were allocated for High Schools That Work.

1A.17 AMEND VS RESTORE ORIGINAL PROVISIO (Assessment) Authorizes assessment funds to be carried forward to pay for state assessment activities and directs that PSAT pre-ACT or 10th grade Aspire reimbursements shall resume in the current fiscal year.

WMC: AMEND proviso to delete the requirement that reimbursements resume in the current fiscal year and instead direct the department to contract with the test publishers for administration of PSAT, pre-ACT or 10th grade Aspire as required in Section 59-18-340 [PSAT OR PLAN TESTS OF TENTH GRADE STUDENTS; AVAILABILITY; USE OF RESULTS]. *The department states that ACT, Inc. will not provide the agency with student scores for the pre-ACT unless there is a contract between the agency and ACT, Inc. and the agency pays ACT, Inc. directly. The requested amendment is to contract for the three assessments rather than reimbursing districts.* Requested by Department of Education.

HOU: ADOPT proviso as amended.

1A.17. (SDE-EIA: Assessment) The department is authorized to carry forward into the current fiscal year, prior year state assessment funds for the same purpose. ~~Reimbursements shall resume in the current fiscal year for~~ The Department of Education shall contract with the test publishers for the administration of PSAT, pre-ACT or 10th grade Aspire required in Section 59-18-340 of the 1976 Code.

SFC: ADOPT proviso as amended.

SEN: AMEND FURTHER to delete amendments and RESTORE original proviso. Sponsor: Sen. Sheheen.

1A.17. (SDE-EIA: Assessment) The department is authorized to carry forward into the current fiscal year, prior year state assessment funds for the same purpose. Reimbursements shall resume in the current fiscal year for PSAT, pre-ACT or 10th grade Aspire.

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1A.24 AMEND VS AMEND FURTHER (Students at Risk of School Failure) Directs the expenditure of funding allocated for students at risk of school failure.

WMC: AMEND proviso to direct that funds must be allocated to districts based “on the number of weighted pupil units in the district” and delete the requirement allocation be based on two factors (poverty add on weight and prior fiscal year weighted pupil units in need of academic assistance). Require 5% of the funds be spent on formative assessment for K-9 students. Amend the definition of students at academic risk.

HOU: ADOPT proviso as amended.

1A.24. (SDE-EIA: Students at Risk of School Failure) For the current fiscal year, EIA funds appropriated for students at academic risk of school failure, must be allocated to school districts based ~~two factors: (1) poverty as determined for the poverty add on weight in Proviso 1.3; and (2) the number of weighted pupil units identified in the prior fiscal year as in need of academic assistance~~ on the number of weighted pupil units in the district. At least eighty-five percent of the funds ~~allocated for students classified as at academic risk~~ must be spent on instruction and instructional support for ~~these students who generated the funds~~ at academic risk. Instructional support may include family literacy and parenting programs to students at-risk for school failure and their families, and five percent of the funds must be spent on formative assessments for students in kindergarten through grade 9. Students at academic risk are defined as students who ~~score not met on~~ are not meeting grade level standards in English language arts/reading and mathematics as evidenced by summative state assessments in grades three through eight ~~in reading and mathematics state assessments~~ or students who are not on track to meeting or exceeding English language arts/reading or mathematics standards by the end of third grade. Public charter schools, the Palmetto Unified School District, and the Department of Juvenile Justice must also receive a proportionate per pupil allocation based on the number of students at academic risk of school failure served.

SFC: AMEND FURTHER to reinsert the two allocation factors and delete reference to “on the number of weighted pupil units in the district.” Delete instructional support directive “five percent of the funds must be spent on formative assessments for students in kindergarten through grade 9.”

SEN: ADOPT proviso as amended further.

1A.24. (SDE-EIA: Students at Risk of School Failure) For the current fiscal year, EIA funds appropriated for students at academic risk of school failure, must be allocated to school districts based upon two factors: (1) poverty as determined for the poverty add on weight in Proviso 1.3; and (2) the number of weighted pupil units identified in the prior fiscal year as in need of academic assistance. At least eighty-five percent of the funds ~~allocated for students classified as at academic risk~~ must be spent on instruction and instructional support for ~~these students who generated the funds~~ at academic risk. Instructional support may include family literacy and parenting programs to students at-risk for school failure and their families. Students at academic risk are defined as students who ~~score not met on~~ are not meeting grade level standards in English language arts/reading and mathematics as evidenced by summative state assessments in grades three through eight ~~in reading and mathematics state assessments~~ or students who are not on track to meeting or exceeding English language arts/reading or mathematics standards by the end of third grade. Public charter schools, the Palmetto Unified School District, and the Department of Juvenile Justice must also receive a proportionate per pupil allocation based on the number of students at academic risk of school failure served.

1A.30 AMEND VS AMEND FURTHER (Full-Day 4K) Provides guidelines for participation in and funding for the CDEPP program. *Note: Companion General Education proviso is 1.58.*

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WMC: AMEND proviso to direct that public and private providers “shall be funded” rather than “will be reimbursed” and change the rate from “\$4,323” to “\$4,422” and change the private providers transportation reimbursement from “\$550” to “\$563.” Direct that the department only provide funds for public school students whose complete records have been entered into PowerSchool. Authorize the department and First Steps to expand services to additional eligible students who reside in districts that meet certain qualifications if the department or First Steps determine that sufficient carry forward funds and appropriations exist and direct the department and First Steps report to the General Assembly by October 1st on the number of estimated children to be served. Direct the department to annually audit the allocations to public providers to ensure allocations are accurate and properly aligned and to adjust current year allocations if the audit determines the prior year allocations are not accurate. Direct the department to provide audit findings to the General Assembly by December 1st. Direct First Steps to adjust current year allocations if the audit determines the prior year allocations are not accurate. Fiscal Impact: First Steps states that the \$99 increase in tuition per child supports RFA’s inflation factor and the additional cost of \$254,727 would be supported by current budget levels based on 2,573 children currently enrolled for SC First Steps. The \$13 increase in the transportation reimbursement would cost an additional \$3,757 and would be supported by current budget levels based on 289 children. Requested by SC First Steps for School Readiness and the Department of Education.
HOU: ADOPT proviso as amended.

1A.30. (SDE-EIA: Full-Day 4K) Eligible students residing in a school district that met the poverty level for participation in the prior school year are eligible to participate in the South Carolina Early Reading Development and Education Program in the current school year. Public and private providers ~~will be reimbursed~~ shall be funded for instructional costs at a rate of ~~\$4,323~~ \$4,422 per student enrolled. Eligible students enrolling during the school year or withdrawing during the school year shall be funded on a pro rata basis determined by the length of their enrollment. Private providers transporting eligible children to and from school shall also be eligible for a reimbursement of ~~\$550~~ \$563 per eligible child transported. All providers who are reimbursed are required to retain records as required by their fiscal agent. New providers participating for the first time in the current fiscal year and enrolling between one and six eligible children shall be eligible to receive up to \$1,000 per child in materials and equipment funding, with providers enrolling seven or more such children eligible for funding not to exceed \$10,000. Providers receiving equipment funding are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the equipment allocation at a level determined by the Department of Education and the Office of First Steps to School Readiness. Funding to providers is contingent upon receipt of data as requested by the Department of Education and the Office of First Steps. The Department of Education shall only provide funding for public school students whose complete records have been entered into PowerSchool.

The South Carolina Early Reading Development and Education Program continues to operate annually with unexpended funds at the end of the fiscal year. Therefore, for the current fiscal year, if the Department of Education or the Office of First Steps determine that carry forward funds and appropriations exist to serve additional eligible children, the Department of Education or the Office of First Steps are authorized to expand services to eligible children who reside in school districts that are contiguous to school districts that met the poverty level for participation in the prior school year. The Department of Education and Office of First Steps must report to the General Assembly by October 1 on the estimated number of children to be served.

Annually, the Department of Education is directed to audit the annual allocations to public providers to ensure that allocations are accurate and aligned to the appropriate pro rata per

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student allocation, materials, and equipment funding. In the event the department, during the audit process determines that the annual allocations of the prior fiscal year are not accurate, the department must adjust the allocations for the current fiscal year to account for the audit findings. The department must provide the results of the annual audit findings to the General Assembly no later than December 1. Likewise, in the event the Office of First Steps determines that the annual allocations of the prior fiscal year to private providers are not accurate, the Office of First Steps must adjust the allocations for the current fiscal year to account for the findings.

Of the funds appropriated, \$300,000 shall be allocated to the Education Oversight Committee to conduct an annual evaluation of the South Carolina Child Development Education Pilot Program and to issue findings in a report to the General Assembly by January fifteenth of each year. To aid in this evaluation, the Education Oversight Committee shall determine the data necessary and both public and private providers are required to submit the necessary data as a condition of continued participation in and funding of the program. This data shall include developmentally appropriate measures of student progress. Additionally, the Department of Education shall issue a unique student identifier for each child receiving services from a private provider. The Department of Education shall be responsible for the collection and maintenance of data on the public state funded full day and half-day four-year-old kindergarten programs. The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers. The Education Oversight Committee shall use this data and all other collected and maintained data necessary to conduct a research based review of the program's implementation and assessment of student success in the early elementary grades.

SFC: AMEND FURTHER to direct that end of year adjustments shall be based on the 135 day student ADM. Delete the authorization for the department and First Steps to expand services to additional eligible students in contiguous school districts.

SEN: ADOPT proviso as amended further.

1A.30. (SDE-EIA: Full-Day 4K) Eligible students residing in a school district that met the poverty level for participation in the prior school year are eligible to participate in the South Carolina Early Reading Development and Education Program in the current school year. Public and private providers ~~will be reimbursed~~ shall be funded for instructional costs at a rate of ~~\$4,323~~ \$4,422 per student enrolled. Eligible students enrolling during the school year or withdrawing during the school year shall be funded on a pro rata basis determined by the length of their enrollment. Private providers transporting eligible children to and from school shall also be eligible for a reimbursement of ~~\$550~~ \$563 per eligible child transported. All providers who are reimbursed are required to retain records as required by their fiscal agent. New providers participating for the first time in the current fiscal year and enrolling between one and six eligible children shall be eligible to receive up to \$1,000 per child in materials and equipment funding, with providers enrolling seven or more such children eligible for funding not to exceed \$10,000. Providers receiving equipment funding are expected to participate in the program and provide high-quality, center-based programs as defined herein for a minimum of three years. Failure to participate for three years will require the provider to return a portion of the equipment allocation at a level determined by the Department of Education and the Office of First Steps to School Readiness. Funding to providers is contingent upon receipt of data as requested by the Department of Education and the Office of First Steps. The Department of Education shall only provide funding for public school students whose complete records have been entered into PowerSchool and end of year adjustments shall be based on the one hundred and thirty-five day student average daily membership.

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Annually, the Department of Education is directed to audit the annual allocations to public providers to ensure that allocations are accurate and aligned to the appropriate pro rata per student allocation, materials, and equipment funding. In the event the department, during the audit process determines that the annual allocations of the prior fiscal year are not accurate, the department must adjust the allocations for the current fiscal year to account for the audit findings. The department must provide the results of the annual audit findings to the General Assembly no later than December 1. Likewise, in the event the Office of First Steps determines that the annual allocations of the prior fiscal year to private providers are not accurate, the Office of First Steps must adjust the allocations for the current fiscal year to account for the findings.

Of the funds appropriated, \$300,000 shall be allocated to the Education Oversight Committee to conduct an annual evaluation of the South Carolina Child Development Education Pilot Program and to issue findings in a report to the General Assembly by January fifteenth of each year. To aid in this evaluation, the Education Oversight Committee shall determine the data necessary and both public and private providers are required to submit the necessary data as a condition of continued participation in and funding of the program. This data shall include developmentally appropriate measures of student progress. Additionally, the Department of Education shall issue a unique student identifier for each child receiving services from a private provider. The Department of Education shall be responsible for the collection and maintenance of data on the public state funded full day and half-day four-year-old kindergarten programs. The Office of First Steps to School Readiness shall be responsible for the collection and maintenance of data on the state funded programs provided through private providers. The Education Oversight Committee shall use this data and all other collected and maintained data necessary to conduct a research based review of the program's implementation and assessment of student success in the early elementary grades.

- 1A.33 AMEND VS AMEND FURTHER** (IDEA Maintenance of Effort) Provides for the use of Aid to Districts to supplement support of programs and services for students with disabilities; to meet the estimated maintenance of effort for IDEA; or to resolve pending IDEA maintenance of effort litigation. Directs that IDEA maintenance of effort funds may not be transferred for any other purpose and are not subject to flexibility. Requires the department submit an estimate of the IDEA MOE requirement to the General Assembly and the Governor by December, 2016. Authorizes IDEA Maintenance Effort funds to be carried forward and used for the same purpose. **WMC:** AMEND proviso to delete previous directive on the use of funds to meet IDEA maintenance of effort and that these funds are not subject to flexibility and instead authorizes the department, if state funds are reduced or changes in the EFA Base Student Cost would reduce support for children with disabilities, to use Aid to District funds in Section VIII.A.1. to ensure maintenance of state financial support for the IDEA. Amend distribution of these funds to delete the requirement that they be distributed as directed "in any litigation settlement agreement" and instead by distributed as directed "by the United States Department of Education. Change references to maintenance of "efforts" to "state financial support." Delete specific reference to "2016." Delete the carry forward authorization. Requested by Department of Education. **HOU:** ADOPT proviso as amended.

~~**1A.33.** (SDE-EIA: IDEA Maintenance of Effort) Prior to the dispersal of funds appropriated in Section VIII.A.1. Aid to Districts according to Proviso 1A.31 for the current fiscal year, the department shall direct funds appropriated in Section VIII.A.1. Aid To Districts to school districts and special schools for supplemental support of programs and services for students with disabilities, to meet the estimated maintenance of effort for IDEA or to resolve pending litigation concerning the IDEA maintenance of effort. Funds provided for these purposes may not be transferred to any other purpose and therefore are not subject to flexibility. *In the event that there*~~

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is a reduction in state funds or there are changes in the Education Finance Act/Base Student Cost formula that would reduce support for children with disabilities, the Department of Education is authorized to utilize funds appropriated in Section VIII.A.1. Aid to Districts to ensure maintenance of state financial support for the IDEA. The department shall distribute these funds using the current fiscal year one hundred thirty-five day Average Daily Membership or as directed ~~in any litigation settlement agreement by the United States Department of Education.~~ For continued compliance with the federal maintenance of ~~efforts~~ state financial support requirements of the IDEA, funding for children with disabilities must, to the extent practicable, be held harmless to budget cuts or reductions to the extent those funds are required to meet federal maintenance of ~~effort~~ state financial support requirements under the IDEA. In the event cuts to funds that are needed to maintain fiscal effort are necessary, when administering such cuts, the department must not reduce funding to support children with disabilities who qualify for services under the IDEA in a manner that is disproportionate to the level of overall reduction to state programs in general. By December 1, 2016, the department must submit an estimate of the IDEA ~~MOE~~ maintenance of state financial support requirement to the General Assembly and the Governor. ~~For the current fiscal year, the department may carry forward IDEA Maintenance of Effort funds from the prior fiscal year and expend them in the same manner.~~

SFC: AMEND FURTHER to direct that distribution of these funds as directed by the USDE are not subject to flexibility and reinsert the authorization for the department to carry forward IDEA Maintenance of Effort funds and spend them in the same manner.

SEN: ADOPT proviso as amended further.

1A.33. (SDE-EIA: IDEA Maintenance of Effort) Prior to the dispersal of funds appropriated in Section VIII.A.1. Aid to Districts according to Proviso 1A.31 for the current fiscal year, ~~the department shall direct funds appropriated in Section VIII.A.1. Aid To Districts to school districts and special schools for supplemental support of programs and services for students with disabilities, to meet the estimated maintenance of effort for IDEA or to resolve pending litigation concerning the IDEA maintenance of effort. Funds provided for these purposes may not be transferred to any other purpose and therefore are not subject to flexibility.~~ in the event that there is a reduction in state funds or there are changes in the Education Finance Act/Base Student Cost formula that would reduce support for children with disabilities, the Department of Education is authorized to utilize funds appropriated in Section VIII.A.1. Aid to Districts to ensure maintenance of state financial support for the IDEA. The department shall distribute these funds using the current fiscal year one hundred thirty-five day Average Daily Membership or as directed ~~in any litigation settlement agreement by the United States Department of Education.~~ Funds provided for these purposes may not be transferred to any other purpose and therefore are not subject to flexibility. For continued compliance with the federal maintenance of ~~efforts~~ state financial support requirements of the IDEA, funding for children with disabilities must, to the extent practicable, be held harmless to budget cuts or reductions to the extent those funds are required to meet federal maintenance of ~~effort~~ state financial support requirements under the IDEA. In the event cuts to funds that are needed to maintain fiscal effort are necessary, when administering such cuts, the department must not reduce funding to support children with disabilities who qualify for services under the IDEA in a manner that is disproportionate to the level of overall reduction to state programs in general. By December 1, 2016, the department must submit an estimate of the IDEA ~~MOE~~ maintenance of state financial support requirement to the General Assembly and the Governor. For the current fiscal year, the department may carry forward IDEA Maintenance of Effort funds from the prior fiscal year and expend them in the same manner.

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1A.43 AMEND (EOC Partnerships for Innovation) Directs the EOC to participate in public-private partnerships to promote innovative ways to transform how public education is assessed that supports increased student achievement in reading and college and career readiness. Directs the committee to work to expand the engagement of stakeholders and annually report to the General Assembly on measurement results.

SFC: AMEND proviso to allow the funds to also be used for innovative delivery of science, technology, and genetic education and exposure to career opportunities in science, including mobile science lab programs, to students in the Abbeville equity school districts and in high poverty schools. Direct the EOC and the department to recommend a plan to develop and implement a strategic grants process to review, award, and monitor innovative education strategies in schools and districts; direct that that plan identify the process and priority areas for funding that address educational needs; and direct that the plan be submitted to the Senate Finance and House Ways and Means Committees by January 15, 2018.

SEN: ADOPT proviso as amended.

1A.43. (SDE-EIA: EOC Partnerships for Innovation) Of the funds appropriated or carried forward from the prior fiscal year, the Education Oversight Committee is directed to participate in public-private partnerships to promote innovative ways to transform the assessment of public education in South Carolina that support increased student achievement in reading and college and career readiness. The Education Oversight Committee may provide financial support to districts and to public-private partnerships for planning and support to implement, sustain and evaluate the innovation and to develop a matrix and measurements of student academic success based on evidence-based models. *These funds may also be used to support the innovative delivery of science, technology, and genetic education and exposure to career opportunities in science, including mobile science laboratory programs, to students enrolled in the Abbeville equity school districts and students in high poverty schools.* These funds may also focus on creating public-private literacy partnerships utilizing a 2:1 matching funds provision when the initiative employs research-based methods, has demonstrated success in increasing reading proficiency of struggling readers, and works directly with high poverty schools and districts. The committee will work to expand the engagement of stakeholders including state agencies and boards like the Educational Television Commission, businesses, and higher education institutions. The committee shall annually report to the General Assembly on the measurement results.

The Education Oversight Committee and the Department of Education shall recommend to the Senate Finance Committee and to the House Ways and Means Committee a plan to develop and implement a strategic grants process for reviewing, awarding, and monitoring innovative education strategies in schools and districts. The plan would identify the process and priority areas for funding that address the educational needs of the state. The plan must be submitted by January 15, 2018.

1A.50 AMEND FURTHER (Surplus) Requires EIA funds carried forward from the prior fiscal year that are not appropriated or authorized to be carried forward and spent for specified purposes and directs that any additional funds carried forward and not otherwise appropriated or authorized to be used for Instructional Materials.. Allows the funding items to be reduced pro rata if there are not sufficient monies to fund the items.

WMC: AMEND proviso to update fiscal year reference to “2017-18;” delete previously funded items; add the following items: \$400,000 for Computer Science Task Force, \$3,650,000 to EOC - Partnerships, \$3,000,000 for Industry Certification, and \$100,000,000 for Abbeville Equity Districts for Capital Improvements; and delete carry forward funds authorization.

HOU: ADOPT proviso as amended.

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HOU2: AMEND House version to add SDE-Technical Assistance - \$1 and SDE - K-12 Funding Gap - \$1. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

1A.50. (SDE-EIA: Surplus) For Fiscal Year ~~2016-17~~ 2017-18, EIA ~~surplus~~ cash funds from the prior fiscal year and EIA funds not otherwise appropriated or authorized must be carried forward and expended on the following items in the order listed:

- ~~1. EOC Partnerships for Innovation - \$3,200,000;~~
- ~~2. Allendale County School District - \$150,000;~~
- ~~3. Modernize Vocational Equipment - \$1,501,307;~~
- ~~4. Industry Certification - \$3,000,000;~~
- ~~5. Adult Education - \$1,000,000;~~
- ~~6. Power Schools/Data Collection - \$1,952,000;~~
- ~~7. IT Academy - \$750,000;~~
- ~~8. Instructional Development and Digital Content Curation - \$393,443; and~~
- ~~9. EOC Customized STEM labs for grades 6-8 located in school districts that are a trial or plaintiff district in the Abbeville equity lawsuit - \$200,000.~~

1. Computer Science Task Force - \$400,000;
2. EOC-Partnerships - \$3,650,000;
3. Industry Certification - \$3,000,000;
4. SDE-Abbeville Equity Districts for Capital Improvements - \$100,000,000;
5. SDE-Technical Assistance - \$1; and
6. SDE-K-12 Funding Gap - \$1.

~~Any additional funds carried forward and not otherwise appropriated or authorized may be used for Instructional Materials.~~

If excess EIA revenues are less than the amounts appropriated, funding for the items listed herein shall be reduced on a pro rata basis.

SFC: AMEND FURTHER to change item 2. EOC-Partnerships from “\$3,650,000” to “6,731,500;” change item 4. “Abbeville Equity Districts” reference to “School Districts” and change from “\$100,000,000” to “\$46,000,000;” and add SDE-Technical Assistance - \$1,308,500. Delete the authorization for funding items to be reduced pro rata if there are not sufficient monies to fund the items.

SEN: AMEND FURTHER to change EOC-Partnerships from \$6,731,500” to “\$6,281,500” and appropriate \$450,000 to SDE - K-12 Funding Gap. Direct the department to disburse the K-12 Funding Gap funds to school districts that are cumulatively appropriated and allocated at least 8% less state funds than they received in FY 2016-17. Sponsors: Sens. Davis and Campsen.

1A.50. (SDE-EIA: Surplus) For Fiscal Year ~~2016-17~~ 2017-18, EIA ~~surplus~~ cash funds from the prior fiscal year and EIA funds not otherwise appropriated or authorized must be carried forward and expended on the following items in the order listed:

- ~~1. EOC Partnerships for Innovation - \$3,200,000;~~
- ~~2. Allendale County School District - \$150,000;~~
- ~~3. Modernize Vocational Equipment - \$1,501,307;~~
- ~~4. Industry Certification - \$3,000,000;~~
- ~~5. Adult Education - \$1,000,000;~~
- ~~6. Power Schools/Data Collection - \$1,952,000;~~
- ~~7. IT Academy - \$750,000;~~
- ~~8. Instructional Development and Digital Content Curation - \$393,443; and~~
- ~~9. EOC Customized STEM labs for grades 6-8 located in school districts that are a trial or plaintiff district in the Abbeville equity lawsuit - \$200,000.~~

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1. Computer Science Task Force - \$400,000;
2. EOC-Partnerships - \$6,281,500;
3. Industry Certification - \$3,000,000;
4. SDE-School Districts Capital Improvement Plan - \$46,000,000;
5. SDE-Technical Assistance - \$1,308,500; and
6. SDE-K-12 Funding Gap - \$450,000.

~~Any additional funds carried forward and not otherwise appropriated or authorized may be used for Instructional Materials.~~

~~If excess EIA revenues are less than the amounts appropriated, funding for the items listed herein shall be reduced on a pro-rata basis.~~

The Department of Education shall disburse the funds for the K-12 Funding Gap proportionately to school districts that, in the current fiscal year, are cumulatively appropriated and allocated at least eight percent less state funds than the school district was appropriated and allocated in Fiscal Year 2016-17. For purposes of this proviso, state funds includes Education Improvement Act funds. Further, the amounts appropriated and allocated in Part IA and Sections 1 and 1A of this Part IB, shall be considered for purposes of determining whether a school district received less state funds.

- 1A.53 DELETE VS REINSERT** (Low Achieving Schools) Directs the EOC to use \$500,000 of the Partnerships for Innovation funds to support up to 3 low-achieving schools to design and plan for implementing innovative, research-based strategies that are focused on recruiting and retaining highly effective teachers and on increasing time-on task. Directs the EOC to assist schools to determine the evidence to be collected to measure initiative effectiveness and to identify resources to support the initiative and to collaborate with TransformSC.

HOU: DELETE proviso. Sponsor: Rep. Whitmire.

~~**1A.53.** (SDE-EIA: Low Achieving Schools) Of the funds appropriated to the Education Oversight Committee for Partnerships for Innovation, \$500,000 must be allocated to support up to three low-achieving schools in designing and planning for implementation innovative, research-based strategies focused on recruiting and retaining highly effective teachers and on increasing time-on-task through the amount of time, the quality of instruction and the engagement of students. The committee will assist the schools in determining the evidence that will be collected to measure the effectiveness of the initiative and in identifying resources to support the initiative and in collaborating with TransformSC.~~

SFC: REINSERT proviso.

SEN: ADOPT original proviso.

1A.53. (SDE-EIA: Low Achieving Schools) Of the funds appropriated to the Education Oversight Committee for Partnerships for Innovation, \$500,000 must be allocated to support up to three low-achieving schools in designing and planning for implementation innovative, research-based strategies focused on recruiting and retaining highly effective teachers and on increasing time-on-task through the amount of time, the quality of instruction and the engagement of students. The committee will assist the schools in determining the evidence that will be collected to measure the effectiveness of the initiative and in identifying resources to support the initiative and in collaborating with TransformSC.

- 1A.54 DELETE VS REINSERT** (TransformSC) Requires at least \$400,000 of Partnerships for Innovation funds appropriated to the EOC be allocated to the TransformSC public-private project.

HOU: DELETE proviso. Sponsor: Rep. Whitmire.

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~~1A.54. (SDE-EIA: TransformSC) Of the funds appropriated to the Education Oversight Committee for Partnerships for Innovation, at least \$400,000 shall be allocated to the TransformSC public-private project.~~

SFC: REINSERT proviso.

SEN: ADOPT original proviso.

1A.54. (SDE-EIA: TransformSC) Of the funds appropriated to the Education Oversight Committee for Partnerships for Innovation, at least \$400,000 shall be allocated to the TransformSC public-private project.

1A.61 AMEND VS AMEND FURTHER (Reading/Literacy Coaches) Provides for the allocation and use of funds appropriated for Reading/Literacy Coaches to school districts. Requires the department publish guidelines defining reading/literacy coach minimum qualifications; develop procedures to monitor the use of these funds; and requires the funds to be retained and carried forward for the same purpose and not flexed. *Note: Companion General Education proviso is 1.62.*

WMC: AMEND proviso, item (A)(1) to change “proficient” to “meets expectations;” specify the reading “sub score of the English language arts” test; and delete reference to “research” test. Amend item (A)(2) to delete reference to scoring below “proficient on the reading and research test during the same period” and instead direct “as referenced in (A)(1).” Amend item (K) to update fiscal year reference to “2017-18.” Requested by Department of Education.

HOU: ADOPT proviso as amended.

1A.61. (SDE-EIA: Reading/Literacy Coaches) (A) Funds appropriated for Reading/Literacy Coaches must be allocated to school districts by the Department of Education as follows:

(1) for each elementary school in which twenty percent or more of the students scored below ~~proficient~~ “*meets expectations*” on the reading *sub score of the English language arts* ~~and research~~ test in the most recent year for which such data are available, the school district shall be eligible to receive the lesser of either up to \$62,730 or the actual cost of salary and benefits for a full-time reading/literacy coach; and

(2) for each elementary school in which fewer than twenty percent of the students scored ~~below proficient on the reading and research test during the same period~~ *as referenced in (A)(1)*, the school district shall be eligible to receive the lesser of either up to \$31,365 or fifty percent of the actual cost of salary and benefits for a full-time reading/literacy coach. A school district must provide local support for state funds provided under this paragraph. School districts may use existing local funds currently used for reading assistance as the local support.

(B) By accepting these funds, a school district warrants that they will not be used to supplant existing school district expenditures, except for districts that either are currently, or in the prior fiscal year, were paying for reading/literacy coaches with local funds. A district may, however, assign a reading/literacy coach to a primary school rather than to the elementary school to improve the early literacy skills of young children.

(C) Funds appropriated for reading/literacy Coaches are intended to be used to provide elementary schools with reading/literacy coaches who shall serve according to the provisions in Chapter 155 of Title 59.

(D) Schools and districts accepting funding to support a coaching position agree that the reading/literacy coach must not serve as an administrator. If the department finds that school districts are using these funds for administrative costs as defined in statute they must withhold that districts remaining balance of funds allocated pursuant to this proviso.

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(E) The Department of Education must publish guidelines that define the minimum qualifications for a reading/literacy coach. These guidelines must deem any licensed/certified teacher qualified if, at a minimum, he or she:

(1) holds a bachelor's degree or higher and an add-on endorsement for literacy coach or literacy specialist; or

(2) holds a bachelor's degree or higher and is actively pursuing the literacy coach or literacy specialist endorsement; or

(3) holds a master's degree or higher in reading or a closely-related field.

Within these guidelines, the Department of Education must assist districts in identifying a reading/literacy coach in the event that the school is not successful in identifying and directly employing a qualified candidate. The provisions of subsection (A), including the local support requirements, shall also apply to any allocations made pursuant to this paragraph.

(F) The Department of Education must develop procedures for monitoring the use of funds appropriated for reading/literacy coaches to ensure they are applied to their intended uses and are not redirected for other purposes. The Department of Education may receive up to \$100,000 of the funds appropriated for reading/literacy coaches in order to implement this program, provided that this allocation does not exceed the department's actual costs.

(G) Prior to the close of the current fiscal year, any unspent or unallocated funds for reading/literacy coaches shall be used to fund Summer Reading Camps.

(H) The Department of Education shall require:

(1) any school district receiving funding under subsection (A) to identify the name and qualifications of the supported reading/literacy coach; as well as the school in which the coach is assigned; and

(2) any school district receiving funding under subsection (G) to account for the specific amounts and uses of such funds.

(I) With the data reported by the school districts, the department shall report by January fifteenth of the current fiscal year on the hiring of and assignment of reading/literacy coaches by school. The department shall also report the amount of funds that will be used for Summer Reading Camps.

(J) Funds appropriated for reading/literacy coaches shall be retained and carried forward to be used for the same purpose but may not be flexed.

(K) For Fiscal Year ~~2016-17~~ 2017-18, if increased funding for reading/literacy coaches is not sufficient to provide additional reading/literacy coaches at each elementary school then the funding must be targeted to the areas of greatest need based on the number of students substantially failing to demonstrate reading proficiency as indicated on the prior year's state assessment.

SFC: AMEND FURTHER to delete reference to "either."

SEN: ADOPT proviso as amended further.

1A.61. (SDE-EIA: Reading/Literacy Coaches) (A) Funds appropriated for Reading/Literacy Coaches must be allocated to school districts by the Department of Education as follows:

(1) for each elementary school in which twenty percent or more of the students scored below ~~proficient~~ *"meets expectations"* on the reading *sub score of the English language arts* ~~and research~~ test in the most recent year for which such data are available, the school district shall be eligible to receive the lesser of ~~either~~ up to \$62,730 or the actual cost of salary and benefits for a full-time reading/literacy coach; and

(2) for each elementary school in which fewer than twenty percent of the students scored ~~below proficient on the reading and research test during the same period~~ *as referenced in (A)(1)*, the school district shall be eligible to receive the lesser of ~~either~~ up to \$31,365 or fifty

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percent of the actual cost of salary and benefits for a full-time reading/literacy coach. A school district must provide local support for state funds provided under this paragraph. School districts may use existing local funds currently used for reading assistance as the local support.

(B) By accepting these funds, a school district warrants that they will not be used to supplant existing school district expenditures, except for districts that either are currently, or in the prior fiscal year, were paying for reading/literacy coaches with local funds. A district may, however, assign a reading/literacy coach to a primary school rather than to the elementary school to improve the early literacy skills of young children.

(C) Funds appropriated for reading/literacy Coaches are intended to be used to provide elementary schools with reading/literacy coaches who shall serve according to the provisions in Chapter 155 of Title 59.

(D) Schools and districts accepting funding to support a coaching position agree that the reading/literacy coach must not serve as an administrator. If the department finds that school districts are using these funds for administrative costs as defined in statute they must withhold that districts remaining balance of funds allocated pursuant to this proviso.

(E) The Department of Education must publish guidelines that define the minimum qualifications for a reading/literacy coach. These guidelines must deem any licensed/certified teacher qualified if, at a minimum, he or she:

(1) holds a bachelor's degree or higher and an add-on endorsement for literacy coach or literacy specialist; or

(2) holds a bachelor's degree or higher and is actively pursuing the literacy coach or literacy specialist endorsement; or

(3) holds a master's degree or higher in reading or a closely-related field.

Within these guidelines, the Department of Education must assist districts in identifying a reading/literacy coach in the event that the school is not successful in identifying and directly employing a qualified candidate. The provisions of subsection (A), including the local support requirements, shall also apply to any allocations made pursuant to this paragraph.

(F) The Department of Education must develop procedures for monitoring the use of funds appropriated for reading/literacy coaches to ensure they are applied to their intended uses and are not redirected for other purposes. The Department of Education may receive up to \$100,000 of the funds appropriated for reading/literacy coaches in order to implement this program, provided that this allocation does not exceed the department's actual costs.

(G) Prior to the close of the current fiscal year, any unspent or unallocated funds for reading/literacy coaches shall be used to fund Summer Reading Camps.

(H) The Department of Education shall require:

(1) any school district receiving funding under subsection (A) to identify the name and qualifications of the supported reading/literacy coach; as well as the school in which the coach is assigned; and

(2) any school district receiving funding under subsection (G) to account for the specific amounts and uses of such funds.

(I) With the data reported by the school districts, the department shall report by January fifteenth of the current fiscal year on the hiring of and assignment of reading/literacy coaches by school. The department shall also report the amount of funds that will be used for Summer Reading Camps.

(J) Funds appropriated for reading/literacy coaches shall be retained and carried forward to be used for the same purpose but may not be flexed.

(K) For Fiscal Year ~~2016-17~~ 2017-18, if increased funding for reading/literacy coaches is not sufficient to provide additional reading/literacy coaches at each elementary school then the funding must be targeted to the areas of greatest need based on the number of students substantially failing to demonstrate reading proficiency as indicated on the prior year's state assessment.

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1A.65 AMEND VS AMEND FURTHER (CDEPP Unexpended Funds) Provides for the retention and expenditure of prior year CDEPP funds by First Steps and requires a report to the Chairmen of the Senate Finance and House Ways and Means Committees on how the funds were spent. *Note: Companion General Education proviso is 1.72.*

WMC: AMEND proviso to update fiscal year reference to “2017-18;” delete calendar year reference on report due of April 1, “2017;” and also require the Department of Education report on how these funds were spent. Requested by SC First Steps to School Readiness and Department of Education.

HOU: ADOPT proviso as amended.

1A.65. (SDE-EIA: CDEPP Unexpended Funds) For Fiscal Year ~~2016-17~~ 2017-18, the Office of First Steps to School Readiness is permitted to retain the first \$1,000,000 of any unexpended CDEPP funds of the prior fiscal year and expend these funds to enhance the quality of the full-day 4K program in private centers and provide professional development opportunities.

By August first, the Office of First Steps is directed to allocate any additional unexpended CDEPP funds from the prior fiscal year and any CDEPP funds carried forward from prior fiscal years that were transferred to the restricted account for the following purpose: Education Oversight Committee - \$1,000,000 for the South Carolina Community Block Grants for Education Pilot Program.

If carry forward funds are less than the amounts appropriated, funding for the items listed herein shall be reduced on a pro rata basis.

If by August first, school districts eligible to receive full-day 4K funding opt to not participate in the program, the Department of Education is authorized to utilize unexpended funds to increase participation on a per pupil basis for districts eligible for participation who have a documented waiting list. The per pupil allocation and classroom grant must conform with the appropriated amount contained in this Act. Funds may also be used to provide professional development and quality evaluations of programs.

No later than April 1, ~~2017;~~ the Department of Education and the Office of First Steps must report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the expenditure of these funds to include the following information: the amount of money used and specific steps and measures taken to enhance the quality of the 4K program and the amount of money used for professional development as well as the types of professional development offered and the number of participants.

SFC: AMEND FURTHER to delete authorization for the department to use funds available from school districts opting out of participating in the CDEPP program to increase participation and instead direct that if the department or First Steps determine funds will be available, to allocate the funds first to districts with a documented waiting list and then to districts to increase the length of the program to up to 8 ½ hours per day and 20 day per year or to fund summer programs. Provide for how a district is to use the funds for summer programs; direct that the program be up to 8 ½ hours per day for up to 10 weeks. Direct that end of year adjustments be based on the 135 day student ADM or later student ADM for districts that extend the program past 180 days.

SEN: ADOPT proviso as amended further.

1A.65. (SDE-EIA: CDEPP Unexpended Funds) For Fiscal Year ~~2016-17~~ 2017-18, the Office of First Steps to School Readiness is permitted to retain the first \$1,000,000 of any unexpended CDEPP funds of the prior fiscal year and expend these funds to enhance the quality of the full-day 4K program in private centers and provide professional development opportunities.

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By August first, the Office of First Steps is directed to allocate any additional unexpended CDEPP funds from the prior fiscal year and any CDEPP funds carried forward from prior fiscal years that were transferred to the restricted account for the following purpose: Education Oversight Committee - \$1,000,000 for the South Carolina Community Block Grants for Education Pilot Program.

If carry forward funds are less than the amounts appropriated, funding for the items listed herein shall be reduced on a pro rata basis.

If by August first, *the Department of Education or the Office of First Steps determines there will be funds available, funds shall be allocated* ~~school districts eligible to receive full day 4K funding opt to not participate in the program, the Department of Education is authorized to utilize unexpended funds to increase participation~~ on a per pupil basis for districts eligible for participation *first, who have a documented waiting list, then to districts to increase the length of the program to a maximum of eight and a half hours per day or two hundred and twenty days per year or to fund summer programs. If a district chooses to fund summer enrollment the program funding shall conform to the funding in this act for full year programs, however shall be reduced on a pro rata basis to conform with the length of the program. A summer program shall be no more than eight and a half hours per day and shall be not more than ten weeks in length.* The per pupil allocation and classroom grant must conform with the appropriated amount contained in this Act *and end of year adjustments shall be based on the one hundred and thirty five day student average daily membership or later student average daily membership for districts choosing to extend the program past one hundred and eighty days.* Funds may also be used to provide professional development and quality evaluations of programs.

No later than April 1, 2017, *the Department of Education and* the Office of First Steps must report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the expenditure of these funds to include the following information: the amount of money used and specific steps and measures taken to enhance the quality of the 4K program and the amount of money used for professional development as well as the types of professional development offered and the number of participants.

1A.75 DELETE VS REINSERT / AMEND (EOC Military-Connected Children) Directs the EOC to use \$100,000 of Partnerships for Innovation funds to initiate a pilot program in at least two school districts that have a high military density that will provide training, services, resources and research to various educational and mental health professionals, service providers, and military parents. Directs that the objective of the pilot is to increase the level of educational quality and support for military-connected children. Requires training and services be provided by a non-profit entity with specific credentials. Directs the EOC to report on the expenditures of these funds and post-training evaluation in its annual report on the education performance of military-connected children as required by Act 289 of 2014.

HOU: DELETE proviso. Sponsor: Rep. Whitmire.

1A.75. (SDE-EIA: EOC Military-Connected Children) ~~Of the funds allocated for Partnerships for Innovation, the Education Oversight Committee is directed to expend \$100,000 to initiate in at least two school districts with high military density, a pilot program that will provide training, services, resources and research to teachers, counselors, mental health professionals, school nurses, service providers and military parents. The objective of the pilot is to increase the level of educational quality and support for military-connected children. The training and services must be provided by a non profit entity that is an NBCC Approved Continuing Education Provider and is an authorized provider by the international Association for Continuing Education and Training (IACET). Pursuant to its responsibilities under Act 289 of 2014, the Education Oversight Committee will report on the expenditure of these funds and post-~~

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~~training evaluations in its annual report on the educational performance of military-connected children.~~

SFC: REINSERT proviso and AMEND to change "\$100,000" to "\$300,000."

SEN: ADOPT proviso as amended.

1A.75. (SDE-EIA: EOC Military-Connected Children) Of the funds allocated for Partnerships for Innovation, the Education Oversight Committee is directed to expend ~~\$100,000~~ \$300,000 to initiate in at least two school districts with high military density, a pilot program that will provide training, services, resources and research to teachers, counselors, mental health professionals, school nurses, service providers and military parents. The objective of the pilot is to increase the level of educational quality and support for military-connected children. The training and services must be provided by a non-profit entity that is an NBCC-Approved Continuing Education Provider and is an authorized provider by the international Association for Continuing Education and Training (IACET). Pursuant to its responsibilities under Act 289 of 2014, the Education Oversight Committee will report on the expenditure of these funds and post-training evaluations in its annual report on the educational performance of military-connected children.

1A.76 DELETE VS REINSERT / AMEND (STEM Labs) Directs the EOC to work with the department's Office of Standards and Learning to solicit middle schools from the Abbeville trial and plaintiff districts to participate in implementing a STEM based curriculum customized for 6th-8th grade designed to address local industry needs. Requires the curriculum be aligned to state standards and certified by ACT WorkKeys.

HOU: DELETE proviso. Sponsor: Rep. Whitmire.

~~**1A.76.** (SDE-EIA: STEM Labs) Of the funds appropriated for customized STEM labs, the Education Oversight Committee shall work with the Department of Education, Office of Standards and Learning to solicit interested middle schools from the Abbeville trial and plaintiff districts to participate in implementing a STEM based curriculum. The pilot sites will receive a customized 6th - 8th grade STEM curriculum designed to address the needs of local industry. The curriculum provided will be aligned to state standards and certified by ACT WorkKeys and will include hands-on, problem-based student labs. The curriculum will also be certified by ACT WorkKeys. Teachers in the pilot sites will receive ongoing, year-long professional development on cross-curricular STEM implementation that will be aligned to state standards as well and the district strategic plan.~~

SFC: REINSERT proviso and AMEND to direct the EOC to spend \$300,000 of Partnerships for Innovation funds for customized STEM labs.

SEN: ADOPT proviso as amended.

1A.76. (SDE-EIA: STEM Labs) Of the funds ~~appropriated~~ allocated for Partnerships for Innovation, the Education Oversight Committee is directed to expend \$300,000 for customized STEM labs; ~~the~~ The Education Oversight Committee shall work with the Department of Education, Office of Standards and Learning to solicit interested middle schools from the Abbeville trial and plaintiff districts to participate in implementing a STEM based curriculum. The pilot sites will receive a customized 6th - 8th grade STEM curriculum designed to address the needs of local industry. The curriculum provided will be aligned to state standards and certified by ACT WorkKeys and will include hands-on, problem based student labs. The curriculum will also be certified by ACT WorkKeys. Teachers in the pilot sites will receive ongoing, year-long

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professional development on cross curricular STEM implementation that will be aligned to state standards as well and the district strategic plan.

1A.80 ADD VS AMEND NEW PROVISO (EIA: National Board Certification Incentive) **WMC:** ADD new proviso to direct that a \$7,500 salary supplement be paid to public school classroom teachers, including special schools, who are certified by the State Board of Education and the National Board for Professional Teaching Standards if they completed the application process before July 1, 2010 and a \$5,000 salary supplement if they completed the application process after July 1, 2010 as long as they maintain their national board certification. Direct CERRA, for the current fiscal year, to suspend the acceptance of new applications for the program. *Combines provisos 1A.29 and 1A.42 to reflect the changes in the national board per the recommendations of the NBPTS.*

HOU: ADOPT new proviso.

1A.80. (SDE-EIA: National Board Certification Incentive) Public school classroom teachers, to include teachers employed at the special schools or classroom teachers who work with classroom teachers, to include teachers employed at the special schools who are certified by the State Board of Education and who have been certified by the National Board for Professional Teaching Standards or completed the application process prior to July 1, 2010 shall be paid a \$7,500 salary supplement beginning July first in the year following the year of achieving certification, beginning with 2009 applicants. The special schools include the Governors School for Science and Math, Governors School for the Arts and Humanities, Wil Lou Gray Opportunity School, John de la Howe School, School for the Deaf and the Blind, Department of Juvenile Justice and Palmetto Unified School District 1. The \$7,500 salary supplement shall be added to the annual pay of the teacher for the length of the national certificate. However, the \$7,500 supplement shall be adjusted on a pro rata basis for the teachers FTE and paid to the teacher in accordance with the districts payroll procedure. In addition, teachers who have applied prior to July 1, 2010 and are certified by the National Board for Professional Teaching Standards shall enter a recertification cycle for their South Carolina certificate consistent with the recertification cycle for national board certification. National board certified teachers who have been certified by the National Board for Professional Teaching Standards or completed the application process prior to July 1, 2010 moving to this State who hold a valid standard certificate from their sending state are exempted from initial certification requirements and are eligible for a professional teaching certificate and continuing contract status. Their recertification cycle will be consistent with national board certification.

For the current fiscal year the salary supplement will be \$5,000 for public school classroom teachers, to include teachers employed at the special schools or classroom teachers who work with classroom teachers, to include teachers employed at the special schools who are certified by the State Board of Education and who complete the application process on or after July 1, 2010, beginning in the year of achieving certification and applies uniformly to all teachers covered under Section 59-26-85(A)(2) of the 1976 Code. The special schools include the Governors School for Science and Math, Governors School for the Arts and Humanities, Wil Lou Gray Opportunity School, John de la Howe School, School for the Deaf and the Blind, Department of Juvenile Justice and Palmetto Unified School District 1. The \$5,000 salary supplement shall be added to the annual pay of the teacher, not to exceed the lesser of, the length of one national certificate cycle. However, the \$5,000 supplement shall be adjusted on a pro rata basis for the teachers FTE and paid to the teacher in accordance with the districts payroll procedure.

For the current fiscal year CERRA shall suspend administering applications into the program.

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SFC: AMEND new proviso to delete the directive that CERRA suspend administering applications into the program and instead direct that FY 2017-18 will be the final year for eligible teachers to submit initial application and fee for the incentive program and be eligible to receive the state supplement when they achieve certification. Direct that excess funds be distributed to school districts based on the EFA formula.

SEN: ADOPT new proviso.

1A.80. (SDE-EIA: National Board Certification Incentive) Public school classroom teachers, to include teachers employed at the special schools or classroom teachers who work with classroom teachers, to include teachers employed at the special schools who are certified by the State Board of Education and who have been certified by the National Board for Professional Teaching Standards or completed the application process prior to July 1, 2010 shall be paid a \$7,500 salary supplement beginning July first in the year following the year of achieving certification, beginning with 2009 applicants. The special schools include the Governors School for Science and Math, Governors School for the Arts and Humanities, Wil Lou Gray Opportunity School, John de la Howe School, School for the Deaf and the Blind, Department of Juvenile Justice and Palmetto Unified School District 1. The \$7,500 salary supplement shall be added to the annual pay of the teacher for the length of the national certificate. However, the \$7,500 supplement shall be adjusted on a pro rata basis for the teachers FTE and paid to the teacher in accordance with the districts payroll procedure. In addition, teachers who have applied prior to July 1, 2010 and are certified by the National Board for Professional Teaching Standards shall enter a recertification cycle for their South Carolina certificate consistent with the recertification cycle for national board certification. National board certified teachers who have been certified by the National Board for Professional Teaching Standards or completed the application process prior to July 1, 2010 moving to this State who hold a valid standard certificate from their sending state are exempted from initial certification requirements and are eligible for a professional teaching certificate and continuing contract status. Their recertification cycle will be consistent with national board certification.

For the current fiscal year the salary supplement will be \$5,000 for public school classroom teachers, to include teachers employed at the special schools or classroom teachers who work with classroom teachers, to include teachers employed at the special schools who are certified by the State Board of Education and who complete the application process on or after July 1, 2010, beginning in the year of achieving certification and applies uniformly to all teachers covered under Section 59-26-85(A)(2) of the 1976 Code. The special schools include the Governors School for Science and Math, Governors School for the Arts and Humanities, Wil Lou Gray Opportunity School, John de la Howe School, School for the Deaf and the Blind, Department of Juvenile Justice and Palmetto Unified School District 1. The \$5,000 salary supplement shall be added to the annual pay of the teacher, not to exceed the lesser of, the length of one national certificate cycle. However, the \$5,000 supplement shall be adjusted on a pro rata basis for the teachers FTE and paid to the teacher in accordance with the districts payroll procedure.

Fiscal Year 2017-18 shall be the final year for eligible teachers to submit the initial application and fee for NBPTS and be eligible to receive the state supplement upon achieving certification. Appropriations in excess of applicable expenditures shall be distributed to school districts based on the EFA formula.

1A.81 ADD VS AMEND NEW PROVISIO (Revolving Student Loan Program Transfer) **WMC:** ADD new proviso to direct the State Treasurer to transfer \$16,000,000 from the EIA Revolving Student Loan Program, Fund 41L1, to the department for the Abbeville Equity Districts Capital Improvement Plan.

HOU: ADOPT new proviso.

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IA.81. (SDE-EIA: Revolving Student Loan Program Transfer) The State Treasurer shall transfer \$16,000,000 from the EIA Revolving Student Loan Program, Fund 41L1, to the Department of Education. The department shall utilize these funds for the Abbeville Equity Districts Capital Improvement Plan as set forth in this act.

SFC: AMEND new proviso to change specific reference to “Abbeville Equity” and to “School.”
SEN: ADOPT new proviso as amended.

IA.81. (SDE-EIA: Revolving Student Loan Program Transfer) The State Treasurer shall transfer \$16,000,000 from the EIA Revolving Student Loan Program, Fund 41L1, to the Department of Education. The department shall utilize these funds for the School Districts Capital Improvement Plan as set forth in this act.

1A.82 ADD VS AMEND NEW PROVISO FURTHER (EIA: ~~Abbeville Equity~~ School Districts Capital Improvement Plan) **WMC:** ADD new proviso to direct that funds appropriated for the Abbeville Equity Districts Capital Improvement Plan be allocated by the department to eligible school districts to fund school facility upgrades. Define “eligible school district” and “school facility” for purposes of this provision. Direct that school facilities does not include unimproved real property, centralized district administration facilities, or other facilities, including those identified with interscholastic sports activities. Direct the department to develop and maintain an application process and establish policies, procedures and priorities. Direct the department, at least twice a year, to prioritize eligible projects and submit recommended grant awards to the State Board of Education and require the State Board to affirmatively vote to award a grant. Direct the department to prepare an annual report on Plan activities for the preceding year and submit the report to the Governor and the Chairmen of the Senate Finance, House Ways and Means, Senate Education, and House Education and Public Works Committees.
HOU: ADOPT new proviso.

IA.82. (SDE-EIA: Abbeville Equity Districts Capital Improvement Plan) The funds appropriated for the Abbeville Equity Districts Capital Improvement Plan in Part IA, Section 1, VIII, I, Abbeville Equity Districts Capital Improvements and by provisos 1A.50 and 1A.81 shall be allocated by the Department of Education to eligible school districts for the purpose of funding school facility upgrades. Eligible school districts include any school district that is a plaintiff in the Abbeville law suit or districts with a poverty index of eighty percent or higher. For the purpose of this provision, “school facility” means only facilities necessary for instructional and related supporting purposes including, but not limited to, classrooms, libraries, media centers, laboratories, cafeterias, physical education spaces, related interior and exterior facilities, and the conduit, wiring, and powering of hardware installations for classroom computers or for area network systems. Eligible school facility projects shall include: (a) health and safety upgrades; (b) technology upgrades inside school facilities; (c) upgrades associated with career and technology education programs; and (d) deferred maintenance needs as described in the district’s capital improvement plan. For purposes of this provision, school facilities shall not include unimproved real property, centralized district administration facilities, or other facilities, including those normally identified with interscholastic sports activities.

The department shall develop and maintain an application process for school districts to request funding for qualified school projects and establish policies, procedures, and priorities for the making of grants pursuant to this provision. At least twice a year and upon receipt of applications pursuant to the application process adopted by the department, the department shall prioritize the eligible projects with the greatest need and shall submit a list of recommended grant awards to the State Board of Education. Grants shall be awarded upon an affirmative vote of the State Board.

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The financial assistance provided to school districts pursuant to this provision must be used for the eligible school facility project. The department is responsible for establishing policies and procedures to ensure that funds are expended in a manner consistent with this provision.

Following the close of the fiscal year, the department shall submit an annual report of its Abbeville Equity Districts Capital Improvement Plan activities for the preceding year to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Education Committee, and the Chairman of the House Education and Public Works Committee.

SFC: AMEND new proviso to change reference to “Abbeville Equity Districts Capital Improvement Plan” to “School Districts Capital Improvement Plan;” direct that 70% of the funds go to Abbeville law suit plaintiff school districts or districts with a poverty index of 80% or higher with the remaining balance distributed to the remaining school districts. Delete the authorization to use the funds for technology associated purposes and direct that eligible school facility projects include health and safety upgrades and deferred maintenance needs as described in the district’s capital improvement plan. Direct the department to use the results of facilities assessments and the district’s ability to raise revenues to establish priorities for grant eligibility.

SEN: AMEND FURTHER to include public charter schools in the funding allocations. Sponsors: Sens. Davis and Sabb.

IA.82. (SDE-EIA: School Districts Capital Improvement Plan) The funds appropriated for the School Districts Capital Improvement Plan in Part IA, Section 1, VIII, J, School Districts Capital Improvements and by provisos 1.89, 1A.81, and 1A.85 shall be allocated by the Department of Education to school districts for the purpose of funding school facility upgrades, including public charter schools. 70% of the funds shall go to any school district that is a plaintiff in the Abbeville law suit or districts with a poverty index of eighty percent or higher, including public charter schools in those districts sponsored by that district or the SC Public Charter School District. The remaining balance shall go to the remaining school districts. For the purpose of this provision, “school facility” means only facilities necessary for instructional and related supporting purposes including, but not limited to, classrooms, libraries, media centers, laboratories, cafeterias, physical education spaces, and related interior and exterior facilities. Eligible school facility projects shall include: (a) health and safety upgrades; and (b) deferred maintenance needs as described in the district’s capital improvement plan. For purposes of this provision, school facilities shall not include unimproved real property, centralized district administration facilities, or other facilities, including those normally identified with interscholastic sports activities.

The department shall develop and maintain an application process for school districts, including public charter schools, to request funding for qualified school projects and establish policies, procedures, and priorities for the making of grants pursuant to this provision. At a minimum, results of the facilities assessments and a districts own ability to raise revenues as determined by the index of taxpaying ability shall be utilized to establish priority of the eligible projects for grants. At least twice a year and upon receipt of applications pursuant to the application process adopted by the department, the department shall prioritize the eligible projects with the greatest need and shall submit a list of recommended grant awards to the State Board of Education. Grants shall be awarded upon an affirmative vote of the State Board.

The financial assistance provided to school districts pursuant to this provision must be used for the eligible school facility project. The department is responsible for establishing policies and procedures to ensure that funds are expended in a manner consistent with this provision.

Following the close of the fiscal year, the department shall submit an annual report of its School Districts Capital Improvement Plan activities for the preceding year to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means

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Committee, the Chairman of the Senate Education Committee, and the Chairman of the House Education and Public Works Committee.

- 1A.85** **ADD** (Carry Forward) **SFC:** ADD new proviso to direct the department to allocate \$30 million from carry forward or unencumbered or unobligated cash balances for the School Districts Capital Improvement Plan as set forth in this Act. *Companion General Education proviso is 1.89.*
SEN: ADOPT new proviso.

1A.85. (SDE-EIA: Carry Forward) For Fiscal Year 2017-18, the Department of Education is directed to allocate \$30,000,000 from carry forward or unencumbered or unobligated cash balances for the School Districts Capital Improvement Plan as set forth in this Act.

- 1A.86** **ADD** (Instructional Materials Adoption) **SFC:** ADD new proviso to direct the department and the State Board of Education to review the current process for adopting and appropriating instructional materials; to establish an updated process that includes both print and digital materials by December 1, 2017; and to make recommendations to the Governor and General Assembly according to the new process.
SEN: ADOPT new proviso.

1A.86. (SDE-EIA: Instructional Materials Adoption) The Department of Education and the State Board of Education are directed to review the current process for the adoption and appropriation of instructional materials and establish an updated process that will include both print and digital instructional materials no later than December 1, 2017, and make corresponding funding recommendations to the Governor and the General Assembly according to the new process.

- 1A.87** **ADD** (Educator Preparation Provider) **SFC:** ADD new proviso to authorize the department to use up to \$300,000 of carry forward funds to develop a data system to store post-certification date and employment for Education Preparation Provider completers in accordance with Reg. 43-90 [PROGRAM APPROVAL STANDARDS FOR SOUTH CAROLINA TEACHER EDUCATION INSTITUTIONS] and direct that the stored data is exempt from disclosure under FOIA.
SEN: ADOPT new proviso.

1A.87. (SDE-EIA: Educator Preparation Provider) Of the funds carried forward from the prior fiscal year, the department is authorized to use up to \$300,000 to develop a data system to house post-certification data and employment for Education Preparation Provider (EPP) completers in accordance with S.C. Code Reg. 43-90. The system must provide the department with the ability to collect, store, and disseminate data elements needed for national accreditation of providers. Such data shall be exempted from disclosure under Section 30-4-40 of the 1976 Code, the South Carolina Freedom of Information Act.

- 1A.88** **ADD** (Teacher Academy Pilot) **SFC:** ADD new proviso to direct the EOC to use \$100,000 of Teacher Academy funds to pilot a program to improve teacher recruitment and retention. Direct the Teacher Academy to provide intensive professional development to beginning, novice, and struggling teachers during the summer. Direct the EOC to evaluate the academy's impact using the Effective Learning Environments Observation Tool.
SEN: ADOPT new proviso.

1A.88. (SDE-EIA: Teacher Academy Pilot) Of the funds appropriated to the Education Oversight Committee for Partnerships for Innovation, \$100,000 shall be utilized to pilot a

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Teacher Academy project to improve teacher recruitment and retention. The academy shall provide intensive professional development to beginning, novice, and struggling teachers during the summer prior to the current school year. The Education Oversight Committee shall evaluate the impact of the academy using the state observation tool "Effective Learning Environments Observation Tool" (ELEOT).

1A.89 AMEND NEW PROVISO (Kinesthetic Learning Program) **SFC:** ADD new proviso to direct the EOC to use \$350,000 of Partnerships for Innovation funds to pilot a kinesthetic learning platform which uses physical activity to teach Pre K through 3rd grade math, English/language arts and literacy standards.

SEN: AMEND new proviso to change from "\$350,000" to "\$250,000" the amount of Partnerships for Innovation funds used to pilot a kinesthetic learning platform. Sponsor: Sen. Timmons.

1A.89. (SDE-EIA: Kinesthetic Learning Platform) Of the funds appropriated to the Education Oversight Committee for Partnerships for Innovation, \$250,000 must be used to pilot a kinesthetic learning platform using physical activity to teach South Carolina's Math, English/Language Arts and Literacy standards for the Pre K through 3rd grade learner to improve academic performance.

1A.90 ADD (Algebra) **SFC:** ADD new proviso to direct the EOC to use \$1,500,000 of Partnerships for Innovation funds to pilot and evaluate an algebra program for students giving statewide access to various videos, study guides, practice tools and online discussion walls for peer and instructor assistance. Direct teachers to be provided with statewide access to a discussion wall, student progress reports and teaching materials within the same platform.

SEN: ADOPT new proviso.

1A.90. (SDE-EIA: Algebra) Of the funds appropriated to the Education Oversight Committee for Partnerships for Innovation, \$1,500,000 must be used to pilot and evaluate a program that provides students with statewide access to: (a) algebra videos, online practice tools, and tutoring; (b) algebra videos taught by at least 5 different instructors. The instructors must be from diverse backgrounds and have different teaching styles so students may differentiate their learning; (c) algebra videos, specifically aligned with South Carolina state-standards; (d) algebra study guides/notes that follow along explicitly with the algebra videos. Each student must have access to a workbook version of these study guides; (e) algebra practice tool that provides instant feedback to students, as well as solution videos and guidance to review; and (f) online, collaborative discussion wall where students can ask questions and receive assistance from both peers and instructors. The discussion wall must be accessible after school and on weekends.

The pilot must also provide teachers with statewide access to: (a) a professional learning community and discussion wall, where teachers can share best practices and resources; (b) reports on student usage and progress; and (c) teacher materials, answer keys, and resources accessible within the same platform.

1A.91 ADD (Kindergarten Readiness Program) **SEN:** ADD new proviso to direct that \$300,000 of Partnerships for Innovation funds be allocated to support a home based, technology delivered kindergarten readiness program with specific software. Sponsors: Sens. Williams and Sheheen.

1A.91. (SDE-EIA: Kindergarten Readiness Program) Of the funds appropriated to the Education Oversight Committee for Partnerships for Innovation, \$300,000 must be allocated to support a home based, technology delivered kindergarten readiness program with software

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aligned with NAEYC's 12 Principles of Child Development and Learning that Inform Practice and with Head Start's Early Learning Outcomes framework and with demonstrated RCT results.

- 1A.92 ADD** (ESSA State Plan) **HOU2:** AMEND House version to ADD new proviso to direct the department to develop its ESSA State Plan for primary, elementary, middle and high schools along with career centers in accordance with the USDE. Direct the EOC, working with the State Board of Education and a broad-based group of stakeholders, to determine criteria and performance ratings consistent with federal guidelines and state law. Direct the EOC to design and implement a public friendly home page for district and school online report cards and direct the department to create the dashboard linked to the home page. Direct the committee to not issue state district and school report cards for 2017-18 but instead report the ESSA State Plan ratings for school year 2017-18. Direct students to be assessed for school year 2017-18 in English language arts and math in grades 3 through 8, science in grades 4, 6 and 8 and social studies in grades 5 and 7. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire. *Note: Proviso was 1A.85 in HOU2 version.*

1A.92. (SDE-EIA: ESSA State Plan) With funds appropriated for accountability and assessment, the Department of Education shall develop its ESSA State Plan in accordance with the U.S. Department of Education. In the ESSA State Plan primary, elementary, middle, and high schools along with career centers in South Carolina must be rated as Excellent, Good, Average, Below Average or Unsatisfactory using a 100-point scale. The Education Oversight Committee, working with the State Board of Education and a broad-based group of stakeholders, including, but not limited to, parents, business and industry persons, community leaders and educators, shall determine the criteria for and establish the performance ratings that are consistent with federal guidelines and state law. In addition the indicators used to determine the school ratings must also receive a rating of Excellent, Good, Average, Below Average or Unsatisfactory.

With funds appropriated to the Education Oversight Committee, the committee shall design and implement a public-friendly home page for district and school online report cards and the Department of Education shall be responsible for creating the dashboard that is linked to the home page. The committee must take into account input from parents, business and community leaders in designing the report cards. In addition the committee shall not issue state district and school report cards for 2017-18. Instead, the ratings in the ESSA State Plan shall be reported for school year 2017-18.

With funds appropriated for assessments, for school year 2017-18, students shall be assessed in English language arts and mathematics in grades 3 through 8, be assessed in science in grades 4, 6, and 8, and be assessed in social studies in grades 5 and 7. End-of-course, WorkKeys and college readiness assessments shall continue to be administered as required in Chapter 18 of Title 59 of the 1976 Code.

SECTION 3 - H660 - LOTTERY EXPENDITURE ACCOUNT

- 3.4 AMEND NEW PROVISO** (FY 2017-18 Lottery Funding) **WMC:** ADD new proviso to direct expenditure of lottery funds for FY 17-18. Suspend, for the current fiscal year, the provisions of Section 2-75-30 regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment. Direct that net lottery proceeds and investment earnings in excess of certified net lottery proceeds and investment earnings are appropriated and must be used to ensure that LIFE, Palmetto Fellows, and HOPE scholarships are fully funded for FY 17-18. Provide for lottery appropriations to be reduced on a pro rata basis, excluding LIFE, HOPE, and Palmetto Fellows Scholarships, if lottery revenue is less than the amounts appropriated. Authorize Higher Ed Tuition Grants to use up to \$70,000 of Tuition Grants funds to support the

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grants award process. Direct that Workforce Scholarships and Grants funds are to be used to provide grants for tuition, fees, transportation, or textbook expenses to S.C. residents enrolled in a career education program that meets eligibility requirements.

HOU: ADOPT proviso as amended.

HOU2: AMEND House version to amend the amounts appropriated to various items from the FY 2017-18 certified net lottery proceeds, investment earnings and any other identified proceeds. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

3.4. (LEA: FY 2017-18 Lottery Funding) 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 Executive Budget Office as directed below. These appropriations must be used to supplement and not supplant existing funds for education.

The Executive Budget Office 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.

All Education Lottery Account revenue shall be carried forward from the prior fiscal year into the current fiscal year including any interest earnings, which shall be used to support the appropriations contained below.

For Fiscal Year 2017-18, certified net lottery proceeds, investment earnings, and any other proceeds identified by this provision are appropriated as follows:

- (1) Commission on Higher Education--LIFE Scholarships as provided in Chapter 149, Title 59 \$ 221,843,614;
- (2) Commission on Higher Education--HOPE Scholarships as as provided in Section 59-150-370..... \$ 14,458,578;
- (3) Commission on Higher Education--Palmetto Fellows Scholarships as provided in Section 59-104-20..... \$ 51,927,301;
- (4) Commission on Higher Education and State Board for Technical and Comprehensive Education--Tuition Assistance.. \$ 42,582,400;
- (5) Commission on Higher Education--Need-Based Grants..... \$ 17,537,078;
- (6) Higher Education Tuition Grants Commission--Tuition Grants... \$ 8,330,008;
- (7) Department of Education--School Bus Lease/Purchase..... \$ 11,836,764;
- (8) State Board for Technical and Comprehensive Education--Workforce Scholarship Grants..... \$ 10,000,000;
- (9) Higher Education Tuition Grants Commission--SREB Program and Assessments..... \$ 349,606;
- (10)State Board for Technical and Comprehensive Education--Allied Health..... \$ 5,000,000;
- (11)Commission on Higher Education--Technology-Public Four Year Institutions, Two-Year Institutions, and State Technical Colleges..... \$ 1;
- (12)South Carolina State University..... \$ 1;
- (13)Department of Education--Reading Partners..... \$ 1;
- (14)Commission on Higher Education--Higher Education Excellence Enhancement Program..... \$ 1;
- (15)State Library--Aid to County Libraries \$ 1; and
- (16)State Board for Technical and Comprehensive Education--Military Education, Training and Support Program..... \$ 1.

For Fiscal Year 2017-18, net lottery proceeds and investment earnings above the Fiscal Year 2016-17 certified surplus are appropriated as follows:

- Department of Education--School Bus Lease/Purchase..... \$ 20,000,000.

For Fiscal Year 2017-18, funds certified from unclaimed prizes are appropriated as follows:

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- (1) Commission on Higher Education--Higher Education
Excellence Enhancement Program..... \$ 5,505,000;
- (2) Department of Alcohol and Other Drug Abuse Services
--Gambling Addiction Services..... \$ 50,000;
- (3) Commission on Higher Education--National Guard Tuition
Repayment Program as provided in Section 59-111-75..... \$ 4,545,000;
- (4) School for the Deaf and the Blind--Technology \$ 200,000;
- (5) School for the Deaf and the Blind--Bus/Lease..... \$ 800,000;
- (6) Department of Education--School Bus Lease/Purchase..... \$ 2,900,000; and
- (7) State Board for Technical and Comprehensive
Education--Equipment..... \$ 3,000,000.

If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2017-18 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.

Any unclaimed prize funds available in excess of the Board of Economic Advisors estimate shall be appropriated as follows:

- Department of Education--School Bus Lease/Purchase..... \$ 3,000,000.

Fiscal Year 2017-18 funds appropriated to the Commission on Higher Education and the State Board for Technical and Comprehensive Education for Tuition Assistance must be distributed to the technical colleges and two-year institutions as provided in Section 59-150-360. Annually the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds.

The provisions of Section 2-75-30 of the 1976 Code regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment are suspended for the current fiscal year.

The Commission on Higher Education is authorized to temporarily transfer funds between appropriated line items in order to ensure the timely receipt of scholarships and tuition assistance. It is the goal of the General Assembly to fund the Tuition Assistance program at such a level to support at least \$996 per student per term for full time students.

Fiscal Year 2017-18 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and must be used to ensure that all LIFE, HOPE, and Palmetto Fellows Scholarships for Fiscal Year 2017-18 are fully funded.

If the lottery revenue received for Fiscal Year 2017-18 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, HOPE, and Palmetto Fellows Scholarships.

The Higher Education Tuition Grants Commission is authorized to use up to \$70,000 of the funds appropriated in this provision for Tuition Grants to provide the necessary level of program support for the grants award process.

The funds appropriated to State Board for Technical and Comprehensive Education for Workforce Scholarships and Grants shall be used to provide grants for tuition, fees, transportation, or textbook expenses to South Carolina residents enrolled in a career education program that meets all eligibility guidelines promulgated by the State Board for Technical and Comprehensive Education in consultation with the Department of Education. Grants may be awarded from the fund in an amount not exceeding ten thousand dollars or the total cost of attendance, whichever is less, for students to attend the program of their choice at a South Carolina technical school or professional certification program. By March fifteenth of the academic year provided, the State Board for Technical and Comprehensive Education shall provide a report to the Chairman of House Ways and Means Committee and the Chairman of the

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Senate Finance Committee containing a list of programs, amount of funding spent per program, number of students that received grants, and the grant amount per student.

SFC: AMEND new proviso for the amounts appropriated from the FY 2017-18 certified net proceeds and investment earnings and the FY 2016-17 certified surplus. Amend the amounts provided from the FY 2017-18 net lottery proceeds and investment earnings above the FY 2016-17 surplus and direct that those items are appropriated pro-rata. Amend the amounts appropriated from FY 2017-18 certified unclaimed prizes and unclaimed prize funds in excess of the BEA estimate. Authorize CHE to use up to \$345,000 of LIFE, HOPE, and Palmetto Fellows scholarship funds to support the awarding process and to provide for a Scholarship Compliance Auditor. Provide Technology allocations for Public Four Year Institutions, Two Year Institutions, and State Technical Colleges and direct the use of the funds. Provide Critical Training Equipment allocations for the state’s technical colleges and allow the funds to be used for repair or replacement of Allied Health related equipment. Provide for the disbursement of Research University STEM Equipment funds; for Carolina Career Cluster Grant (1:1 match) funds; for Reading Partners funds; for Memorial Professorship funds; for SPICE Program funds, and for Military Education, Training and Support Program funds.

SEN: ADOPT new proviso as amended.

3.4. (LEA: FY 2017-18 Lottery Funding) 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 Executive Budget Office as directed below. These appropriations must be used to supplement and not supplant existing funds for education.

The Executive Budget Office 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.

All Education Lottery Account revenue shall be carried forward from the prior fiscal year into the current fiscal year including any interest earnings, which shall be used to support the appropriations contained below.

For Fiscal Year 2017-18, certified net lottery proceeds and investment earnings for the current fiscal year, including the Fiscal Year 2016-17 certified surplus, are appropriated as follows:

- (1) Commission on Higher Education--LIFE Scholarships as provided in Chapter 149, Title 59..... \$ 221,843,614;
- (2) Commission on Higher Education--HOPE Scholarships as provided in Section 59-150-370..... \$ 14,458,578;
- (3) Commission on Higher Education--Palmetto Fellows Scholarships as provided in Section 59-104-20..... \$ 51,927,301;
- (4) Commission on Higher Education and State Board for Technical and Comprehensive Education--Tuition Assistance..... \$ 51,100,000;
- (5) Commission on Higher Education--Need-Based Grants..... \$ 17,537,078;
- (6) Higher Education Tuition Grants Commission--Tuition Grants... \$ 9,330,008;
- (7) Department of Education--School Bus Lease/Purchase..... \$ 609,484;
- (8) State Board for Technical and Comprehensive Education --Workforce Scholarship Grants \$ 5,000,000;
- (9) Higher Education Tuition Grants Commission--SREB Program and Assessments \$ 349,606;
- (10) State Board for Technical and Comprehensive Education --Allied Health..... \$ 1;

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- (11) Commission on Higher Education--Technology-Public Four Year Institutions, Two-Year Institutions, and State Technical Colleges..... \$ 7,542,212;
- (12) South Carolina State University..... \$ 2,500,000;
- (13) Department of Education--Reading Partners..... \$ 400,000;
- (14) Commission on Higher Education--Higher Education Excellence Enhancement Program..... \$ 567,473;
- (15) State Library--Aid to County Libraries \$ 200,000;and
- (16) State Board for Technical and Comprehensive Education --Military Education, Training and Support Program..... \$ 500,000.

For Fiscal Year 2017-18, net lottery proceeds and investment earnings above the Fiscal Year 2016-17 certified surplus are appropriated pro-rata as follows:

- (1) Department of Education--School Bus Lease/Purchase..... \$ 5,673,791;
- (2) Commission on Higher Education--Research University STEM Equipment..... \$ 1,000,000;
- (3) State Library--Aid to County Libraries \$ 800,000;
- (4) Commission on Higher Education--Carolina Career Clusters Grant (1:1 Match)..... \$ 300,000;
- (5) Commission on Higher Education--Memorial Professorship \$ 50,000;and
- (6) State Board for Technical and Comprehensive Education --SPICE Program..... \$ 250,000.

For Fiscal Year 2017-18, funds certified from unclaimed prizes are appropriated as follows:

- (1) Commission on Higher Education--Higher Education Excellence Enhancement Program..... \$ 5,505,000;
- (2) Department of Alcohol and Other Drug Abuse Services --Gambling Addiction Services..... \$ 50,000;
- (3) Commission on Higher Education--National Guard Tuition Repayment Program as provided in Section 59-111-75..... \$ 4,634,968;
- (4) School for the Deaf and the Blind--Technology \$ 200,000;
- (5) School for the Deaf and the Blind--Bus/Lease..... \$ 800,000;
- (6) Department of Education--School Bus Lease/Purchase..... \$ 2,810,032;and
- (7) State Board for Technical and Comprehensive Education--Critical Training Equipment..... \$ 3,000,000.

If the lottery revenue received from certified unclaimed prizes for Fiscal Year 2017-18 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.

Any unclaimed prize funds available in excess of the Board of Economic Advisors estimate shall be appropriated as follows:

- (1) Commission on Higher Education--PASCAL..... \$ 1,500,000;
- (2) Commission on Higher Education and State Board for Technical and Comprehensive Education--Tuition Assistance.. \$ 7,000,000;and
- (3) Department of Education--School Bus Lease/Purchase..... remaining balance.

Fiscal Year 2017-18 funds appropriated to the Commission on Higher Education and the State Board for Technical and Comprehensive Education for Tuition Assistance must be distributed to the technical colleges and two-year institutions as provided in Section 59-150-360. Annually the State Board for Technical and Comprehensive Education and the Commission on Higher Education shall develop the Tuition Assistance distribution of funds.

The provisions of Section 2-75-30 of the 1976 Code regarding the aggregate amount of funding provided for the Centers of Excellence Matching Endowment are suspended for the current fiscal year.

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The Commission on Higher Education is authorized to temporarily transfer funds between appropriated line items in order to ensure the timely receipt of scholarships and tuition assistance. It is the goal of the General Assembly to fund the Tuition Assistance program at such a level to support at least \$996 per student per term for full time students.

Fiscal Year 2017-18 net lottery proceeds and investment earnings in excess of the certified net lottery proceeds and investment earnings for this period are appropriated and must be used to ensure that all LIFE, HOPE, and Palmetto Fellows Scholarships for Fiscal Year 2017-18 are fully funded.

If the lottery revenue received for Fiscal Year 2017-18 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, HOPE, and Palmetto Fellows Scholarships.

The Commission on Higher Education is authorized to use up to \$345,000 of the funds appropriated in this provision for LIFE, HOPE, and Palmetto Fellows scholarships to provide the necessary level of program support for the scholarship award process and to provide for a Scholarship Compliance Auditor.

The Higher Education Tuition Grants Commission is authorized to use up to \$70,000 of the funds appropriated in this provision for Tuition Grants to provide the necessary level of program support for the grants award process.

The funds appropriated to State Board for Technical and Comprehensive Education for Workforce Pathways Scholarships and Grants shall be used to provide grants for tuition, fees, transportation, or textbook expenses to South Carolina residents enrolled in a career education program that meets all eligibility guidelines promulgated by the State Board for Technical and Comprehensive Education in consultation with the Department of Education, except that funds shall not be used for continuing education courses that do not lead to a degree or professional certificate. Grants may be awarded from the fund in an amount not exceeding ten thousand dollars or the total cost of attendance, whichever is less, for students to attend the program of their choice at a South Carolina technical school or professional certification program. By March fifteenth of the academic year provided, the State Board for Technical and Comprehensive Education shall provide a report to the Chairman of House Ways and Means Committee and the Chairman of the Senate Finance Committee containing a list of programs, amount of funding spent per program, number of students that received grants, and the grant amount per student.

Of the funds appropriated to the Commission on Higher Education for institutions of higher learning entitled "Technology-Public Four Year Institutions, Two Year Institutions, and State Technical Colleges,"(Technology) the commission shall allocate the realized funds on a proportional basis as follows:

- (1) The Citadel..... \$307,628;
- (2) University of Charleston \$643,395;
- (3) Coastal Carolina University \$573,411;
- (4) Francis Marion University..... \$293,497;
- (5) Lander University \$301,439;
- (6) South Carolina State University..... \$276,399;
- (7) USC - Aiken Campus..... \$269,987;
- (8) USC - Upstate \$366,549;
- (9) USC - Beaufort Campus..... \$200,669;
- (10) USC - Lancaster Campus..... \$150,440;
- (11) USC - Salkehatchie Campus \$150,440;
- (12) USC - Sumter Campus \$150,440;
- (13) USC - Union Campus..... \$150,440;
- (14) Winthrop University..... \$388,130;and

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(15) State Technical Colleges and State Board for
Technical and Comprehensive Education..... \$3,319,348.

Unless otherwise provided herein, each institution shall use the amount appropriated only for technology repair and related technology maintenance and/or upgrades that are necessary to support an institution's educational purpose.

Prior to the utilization of these funds, institutions must certify to the Commission on Higher Education, in a manner it prescribes, the extent to which they have met this requirement.

Not later than one hundred twenty days after the close of the fiscal year, the Commission on Higher Education shall report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee regarding the utilization of this provision.

Funds not expended in the prior fiscal year may be carried forward into the current fiscal year and utilized for the same purpose, subject to certification from the Commission on Higher Education they continue to meet the requirement of this provision.

Of the funds appropriated above to the State Board for Technical and Comprehensive Education for "Critical Training Equipment," the State Board shall allocate the realized funds on a proportional basis as follows:

- (1) Aiken Technical College \$153,422;
- (2) Central Carolina Technical College..... \$160,719;
- (3) Denmark Technical College..... \$81,152;
- (4) Florence-Darlington Technical College..... \$167,588;
- (5) Greenville Technical College..... \$262,438;
- (6) Horry-Georgetown Technical College..... \$207,701;
- (7) Midlands Technical College \$215,503;
- (8) Northeastern Technical College \$125,460;
- (9) Orangeburg-Calhoun Technical College..... \$324,216;
- (10) Piedmont Technical College \$194,843;
- (11) Spartanburg Community College..... \$168,289;
- (12) Technical College of the Lowcountry \$137,227;
- (13) Tri-County Technical College..... \$187,241;
- (14) Trident Technical College..... \$328,139;
- (15) Williamsburg Technical College..... \$117,874;and
- (16) York Technical College..... \$168,189.

Funds appropriated within this provision to the State Board for Technical and Comprehensive Education for Technology and/or Critical Training Equipment may be utilized in whole or in part for repair or replacement of Allied Health related equipment at the discretion of each individual technical college.

Of the funds appropriated to the Commission on Higher Education for Research University STEM Equipment, the commission shall disburse the funds to Clemson University, the University of South Carolina-Columbia, and the Medical University of South Carolina proportionally based on each institution's proportion of general fund appropriation in Part 1A of Act 284 of 2016 as compared to the general fund appropriation in that Act for the three institutions in total.

Of the funds appropriated to the Commission on Higher Education for Carolina Careers Cluster Grant (1:1 match), upon application by an eligible institution as defined in this paragraph, the commission shall equally disburse funds to eligible independent HBCU's domiciled in this State that were each recipients of a single competitive grant from a private sector endowment of not less than \$1,000,000 in the immediately preceding fiscal year, the proceeds of which are intended to better prepare students for employment in high paying job clusters across the State. Funds must be spent on students and/or student support services directly related to the private sector grantor's initiative and for no other purpose. Prior to disbursement, the commission shall verify that an eligible institution will provide no less than a 1 to 1 match of the funds to be disbursed.

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Funds appropriated to the Department of Education for Reading Partners shall be allocated to Reading Partners and must be used to increase the number of reading interventions for students in low performing schools in grades K-5. The Office of Early Learning and Literacy shall specify planning criteria to be submitted by Reading Partners no later than July 15 of the current fiscal year. Planning criteria shall include, but is not limited to, pre and post assessment data, parental and family literacy engagement, summer learning support and building school level capacity for intervention. The department shall report to the Governor, the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee and the Chairman of the House Education Committee by June 15, 2018 on the impact of the program.

Of the funds appropriated to the Commission on Higher Education for Memorial Professorship, the Commission shall disburse the funds to the State's only non-profit, four-year comprehensive institution of higher learning that was first established as a college in 1908, provided that the college is SACS accredited and has at least forty percent or more minority enrollment. The college must utilize the funds in support for a memorial professorship(s) for the purpose of helping the college recruit and retain faculty members whose research, teaching and service uniquely contribute to the mission of the college.

Of the funds appropriated to the State Board for Technical and Comprehensive Education for SPICE Program, the board shall transfer the funds to Greenville Technical College, upon which the college, from the entirety of the funds allocated to it pursuant to this Act, must dedicate no less than \$250,000 annually towards the creation and/or maintenance of a "Self-Paced In-Classroom Education" (SPICE) program designed to prepare eligible citizens for re-entry into the workforce through gainful employment in skilled and other professions.

Of the funds appropriated to the State Board for Technical and Comprehensive Education for Military Education, Training and Support Program, the board must disburse the funds to the Technical College of the Lowcountry for support of the college's "Military Heroes Workforce Readiness Initiative".

- 3.5** **ADD** (Student Unique Identifiers) **SFC:** ADD new proviso to direct that, in order to provide longitudinal data, if an institution of higher education or technical college accepts lottery funds they must retain the student unique identifier number that is assigned to a student that attended a state public high school. Direct that an institution and technical college is not prohibited from using additional student identifiers.
SEN: ADOPT new proviso.

3.5. (LEA: Student Unique Identifiers) For the current fiscal year, in order to provide longitudinal data, institutions of higher education and technical colleges accepting lottery funds must retain the student unique identifier or SUNS number assigned to students who attended public high schools in South Carolina. This shall not prohibit institutions of higher education or technical colleges from using additional student identifiers.

SECTION 7 - L120 - JOHN DE LA HOWE SCHOOL

- 7.5** **AMEND NEW VS AMEND NEW PROVISO FURTHER** (Transition) **WMC:** ADD new proviso to suspend all John de la Howe School operations for Fiscal Year 2017-18 and to terminate all employees, effective July 1, 2017. Provide for final compensation payout and direct all remaining funds and vacant FTEs be transferred to Clemson University PSA. Direct Clemson PSA to use the funds to evaluate and report on what agricultural educational programs can be offered that align with the Will, what land management and operational changes are needed and what the projected costs and timeframe would be for these changes. Direct that findings and

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recommendations be reported by December 1 to the Senate Finance and House Ways and Means Committees.

HOU: ADOPT new proviso.

HOU2: AMEND House version to direct Clemson to use the transferred funds to continue to operate the wilderness camp. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

7.5.(JDLHS: Transition) For Fiscal Year 2017-18, all financial and programmatic management and operations of the John de la Howe School shall be suspended and all employees terminated, effective July 1, 2017.

After the terminated employees final compensation has been paid, all remaining funds and vacant FTE's shall be transferred to Clemson University PSA. The university shall utilize transferred funds to perform an evaluation and report focused on: (1) what agricultural educational programs can be offered that align with the terms and purpose of the Dr. John de la Howe will; (2) what land management and operation changes are needed in order for the property and remaining assets to support the agricultural education programming mission of the will; and (3) what would be the projected costs of and timeframe for these changes. Additionally, Clemson University PSA shall be authorized to utilize the transferred funds to manage and maintain the grounds and other property of the estate as it sees fit, during the suspension period. Clemson University is further directed to utilize the transferred funds to continue the operation of the wilderness camp activities.

Clemson University PSA shall report to the Senate Finance Committee and to the House Ways and Means Committee by December 1 of the current fiscal year on its findings and recommendations.

SFC: AMEND new proviso to delete the suspension of operations and instead direct school operations to continue, however direct that the primary operation of the school be wilderness camp activities and residential facilities. Delete the requirement that all employees be terminated by July 1, 2017 and that vacant positions be transferred to Clemson University PSA. Change from the "university" to "John de la Howe" the requirement that an evaluation be performed "or contracted." Delete the authorization for Clemson to use the funds and change the reporting requirement from Clemson to JDLH.

SEN: ADOPT new proviso as amended.

7.5.(JDLHS: Transition) For Fiscal Year 2017-18, all financial and programmatic management and operations of the John de la Howe School shall continue to operate. However, the wilderness camp activities and the operation of the residential facilities shall be maintained as the primary operation of the school.

The John de la Howe Board may utilize funds to perform or contract for an evaluation and report focused on: (1) what agricultural educational programs can be offered that align with the terms and purpose of the Dr. John de la Howe will; (2) what land management and operation changes are needed in order for the property and remaining assets to support the agricultural education programming mission of the will; and (3) what would be the projected costs of and timeframe for these changes.

John de la Howe School shall report to the Senate Finance Committee and to the House Ways and Means Committee by December 1 of the current fiscal year on its findings and recommendations.

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SECTION 8 - H670 - EDUCATIONAL TELEVISION COMMISSION

8.2 AMEND VS AMEND FURTHER (Spectrum Auction) Authorizes ETV to receive and retain proceeds from the FCC TV Auction and directs how ETV is to use the proceeds. Authorizes unexpended funds to be carried forward and used for the same purpose. Directs ETV, subject to FCC specified quiet period requirement, to report to the Governor and the Chairmen of the Senate Finance and House Ways and Means Committees on their intent to enter the auction; auction dates; estimated potential revenue; and actual revenue received from the auction.

WMC: AMEND proviso to authorize ETV to receive and retain all proceeds received from the FCC TV Auction. Delete the requirements that the funds be used to develop a capital reserve declining fund balance; that up to \$40,000,000 of the proceeds be used to fund ETV critical capital needs; that proceeds received above \$40,000,000 be placed into a segregated account that will require General Assembly approval prior to expenditure; and the reporting requirement.

HOU: ADOPT proviso as amended.

8.2. (ETV: Spectrum Auction) ~~If the *The* Educational Television Commission receives any *shall be authorized to receive and retain all* proceeds from the Federal Communication Commission TV Auction, the commission is authorized to receive and retain the proceeds for the development of a capital reserve declining balance fund. Up to \$40,000,000 of the *The* proceeds shall be used to fund several critical capital needs at ETV, including an expected broadcast industry standards change *changes*. Proceeds shall also be deployed for existing equipment repair, maintenance and replacement needs, and operational costs. Any proceeds received above \$40,000,000 must be placed into a segregated account and shall require General Assembly approval prior to the expenditure of these funds. Unexpended funds shall be carried forward from the prior fiscal year into the current fiscal year and used for the same purpose. Subject to the FCC requirements for a specified quiet period, the commission shall report to the Governor, the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the intent to enter the auction; dates of the auction; potential revenue estimates; and actual received revenue.~~

SFC: AMEND FURTHER to limit the amount of proceeds ETV may receive and retain to \$40,000,000 and direct that the funds be placed in a segregated, restricted account. Direct that proceeds received above \$40,000,000 must be transferred to SDE for school bus purchases. Direct ETV to report to the Chairmen of the Senate Finance and House Ways and Means Committees by June 30th on the amount expended from the fund and the fund balance.

SEN: AMEND FURTHER to change the amount of Spectrum Auction revenue ETV may retain from \$40 million to \$35 million; direct that revenue above \$35 million must be transferred to the Department of Education; and that \$5,000,000 of these funds be used for the Education Foundation Supplement with the remainder used for school bus purchases. Sponsors: Sens. Bennett, Climer, and Gregory.

8.2. (ETV: Spectrum Auction) ~~If the *The* Educational Television Commission receives any *shall be authorized to receive and retain up to \$35,000,000 of the* proceeds from the Federal Communication Commission TV Auction *and place them in a segregated, restricted account*, the commission is authorized to receive and retain the proceeds for the development of a capital reserve declining balance fund. Up to \$40,000,000 of the *These* proceeds shall be used to fund several critical capital needs at ETV, including an expected broadcast industry standards change *changes*. Proceeds shall also be deployed for existing equipment repair, maintenance and replacement needs, and operational costs. Any proceeds received above \$40,000,000 must be placed into a segregated account and shall require General Assembly approval prior to the expenditure of these funds. *Any proceeds received above \$35,000,000 must be placed into a*~~

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segregated account and transferred to the Department of Education to be used as follows: \$5,000,000 for the Education Foundation Supplement and any remaining proceeds for school bus purchases. Unexpended funds shall be carried forward from the prior fiscal year into the current fiscal year and used for the same purpose. ~~Subject to the FCC requirements for a specified quiet period, the commission shall report to the Governor, the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on the intent to enter the auction; dates of the auction; potential revenue estimates; and actual received revenue. No later than June 30th of the current fiscal year, ETV must report to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee the amount of money expended from the fund and the balance of the fund.~~

SECTION 11 - H030 - COMMISSION ON HIGHER EDUCATION

- 11.17 ADD VS AMEND NEW PROVISO** (Longitudinal Data Reports) **WMC:** ADD new proviso to direct CHE to provide quarterly reports to the Chairmen of the Senate Finance and House Ways and Means Committees on tuition and fees longitudinal data.
HOU: ADOPT new proviso.

11.17. (CHE: Longitudinal Data Reports) The Commission on Higher Education is directed to provide quarterly reports to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on tuition and fees longitudinal data collected by the commission from colleges and universities.

SFC: AMEND new proviso to delete the quarterly reporting requirement on tuition and fees longitudinal data and instead direct CHE provide a report by December 1st on tuition and required fee trends submitted to them by the state's public colleges and universities. Provide for a baseline for the report. Direct the commission to also provide comparable data and trends for SREB states for the same time period and to calculate in the report the level of recurring base state operating funds each college and university received.

SEN: ADOPT new proviso as amended.

11.17. (CHE: Longitudinal Data Reports) By December first each year, the Commission on Higher Education is directed to provide a report to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee on tuition and required fee trends submitted to the commission by the state's public colleges and universities. The baseline of the report must be the most recent fall semester compared to the previous five fall semesters. The commission shall also provide comparable data and trends for and among SREB states for the same period of time. In addition, for the same time periods noted above, the commission shall also calculate in the report the level of recurring base state operating funding received by each college and university as measured on an in-state student basis as well as the average of such funding provided in each SREB state.

- 11.18 ADD VS DELETE NEW PROVISO** (Suspend Governor's Professor of the Year Award) **WMC:** ADD new proviso to suspend the Governor's Professor of the Year Award for FY 2017-18.
HOU: ADOPT new proviso.

11.18. (CHE: Suspend Governor's Professor of the Year Award) The requirements of Section 59-104-220 of the 1976 Code pertaining to the Governor's Professor of the Year Award shall be suspended for Fiscal Year 2017-18.

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SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

11.18. (CHE: Suspend Governor's Professor of the Year Award) DELETED

- 11.19 ADD VS DELETE NEW PROVISO** (Council of Presidents) **WMC:** ADD new proviso to require the Council of Presidents to convene meetings at least four times a years to investigate and report to CHE on academic planning, business and financial coordination, and library utilization and coordination a mandated by the code.

HOU: ADOPT new proviso.

11.19. (CHE: Council of Presidents) The Council of Presidents of state institutions of higher learning, as established in Section 59-103-40 of the 1976 Code, shall convene meetings at least four times a year for the purpose of investigating, studying, and reporting to the Commission on Higher Education on such subjects as academic planning, business and financial coordination, and library utilization and coordination as mandated by Section 59-103-40.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

11.19. (CHE: Council of Presidents) DELETED

- 11.20 ADD VS DELETE NEW PROVISO** (Deans' Committee on Medical Education) **WMC:** ADD new proviso to require the Deans' Committee on Medical Education to convene at least quarterly to ensure and coordinate the development and implementation of a strategic plan for medical education research and related clinical services as mandated by the code.

HOU: ADOPT new proviso.

11.20. (CHE: Deans' Committee on Medical Education) The Deans' Committee on Medical Education, as established in Section 59-101-190 of the 1976 Code, shall convene meetings at least quarterly each year for the purpose of ensuring and coordinating the development and implementation of a strategic plan for effective and efficient medical education, research, and related clinical services programs to best meet the needs of the State of South Carolina as mandated by Section 59-101-190. In addition, all other directives contained within Section 59-101-190 shall be performed.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

11.20. (CHE: Deans' Committee on Medical Education) DELETED

- 11.22 AMEND NEW PROVISO** (SmartState Review Board Study) **SFC:** ADD new proviso to suspend Sections 2-75-40, 2-75-50 and 2-75-60 [SC RESEARCH CENTERS OF ECONOMIC EXCELLENCE: APPLICATIONS FOR AWARDS OF ENDOWMENT; APPLICATION REQUIREMENTS; PARTNERING TO DEVELOP PROPOSALS TO ADVANCE ECONOMIC COMPETITIVENESS; REVIEW BY PANEL OF EXPERTS; SITE VISITS] as of August 2, 2017, for the remainder of the fiscal year. Direct the Research Centers of Excellence Review Board to submit written recommendations by December 31, 2017, for a plan to sunset the SmartState Board and transition its responsibilities.

SEN: AMEND new proviso to delete the historical description of the SmartState Review Board Study, its successes and awards and the suspension of the program. Sponsor: Sen. Jackson.

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11.22. (CHE: SmartState Review Board Study) Of the funds appropriated to the Commission on Higher Education, on or before December 31, 2017, the Research Centers of Excellence Review Board shall submit to the President Pro Tempore of the Senate, the Speaker of the House of Representatives, the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, and the Governor, written recommendations regarding a plan to sunset the SmartState Board and how best to transition some of its responsibilities to an appropriate entity of state government for any continuing administrative program management, including a minimum budget necessary for administration, as well as for oversight and/or accountability responsibilities related to awards made on or before August 1, 2017, that may remain after the SmartState Board sunsets.

- 11.23 ADD** (Auxiliary Project Approval) **HOU2:** AMEND House version to ADD new proviso to suspend Section 2-47-40(B) [INFORMATION TO BE FURNISHED BY AGENCIES AND INSTITUTIONS] as it relates to CHE comments and recommendations on institutions of higher education auxiliary, athletic, maintenance and renovation permanent improvement projects. Direct institutions submit these project proposals directly to the Executive Budget Office, JBRC and SFAA and not submit them to CHE for comments and recommendations. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire. *Note: Proviso was 11.22 in HOU2 version.*

11.22. (CHE: Auxiliary Project Approval) For FY 2017-18, the provisions of Section 2-47-40(B) of the 1976 Code, as it relates to comments and recommendation of the Commission on Higher Education, shall be suspended for institutions of higher education auxiliary, athletic, maintenance and renovation permanent improvement projects. Institutions of higher education shall submit auxiliary, athletic, maintenance and renovation project proposals, through the Department of Administration's Executive Budget Office, directly to the Joint Bond Review Committee and State Fiscal Accountability Authority and shall not submit such project proposals through the Commission on Higher Education for comments and recommendations.

SECTION 18 - H210 - LANDER UNIVERSITY

- 18.1 ADD** (Renovation and Repairs) **HOU2:** AMEND House version to ADD new proviso to allow Lander University to use Montessori Education Building funds for university renovation and repairs. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

18.1. (LU: Renovation and Repairs) Funds appropriated to Lander University for the Montessori Education Building may be used for university renovation and repairs.

SECTION 23 - H510 - MEDICAL UNIVERSITY OF SOUTH CAROLINA

- 23.4 ADD** (Procurement Efficiency Study) **SFC:** ADD new proviso to direct MUSC, MUHA and SFAA Procurement Services to work together to study and make recommendations regarding opportunities to create efficiencies by combining similar operations. Direct that findings and recommendations be submitted to the Chairmen of the Senate Finance and House Ways and Means Committees by October 1, 2017.
SEN: ADOPT new proviso.

23.4. (MUSC: Procurement Efficiency Study) The Medical University of South Carolina (MUSC), the Medical University Hospital Authority (MUHA), and Procurement Services of the State Fiscal Accountability Authority are directed to work together to study and make

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recommendations regarding the opportunity, if any, to create efficiencies, cost savings, and/or economies of scale by combining some or all of any similar operations and/or procurements of the MUSC and MUHA. Findings and recommendations must be submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by October 1, 2017.

SECTION 25 - H590 - STATE BOARD FOR TECHNICAL & COMPREHENSIVE EDUCATION

25.8 AMEND VS AMEND FURTHER (Workforce Pathways Funding Distribution) Directs the State Board to distribute Workforce Pathways Program funds as follows: \$740,000 to Tri-County Technical College and \$602,000 to Central Carolina Technical College for those schools to maintain operations of their existing Workforce Pathways programs and directs that any remaining funds be set-aside in a separate account until the State Board develops a distribution formula. Specifies that certain criteria that must be included in the formula and directs that the State Board report the distribution formula and required criteria to the Chairmen of the Senate Finance and House Ways and Means Committees by August 31, 2016.

WMC: AMEND proviso to update calendar year reference from “2016” to “2017.”

HOU: ADOPT proviso as amended.

25.8. (TEC: Workforce Pathways Funding Distribution) Of the funds appropriated to the State Board for Technical and Comprehensive Education for the Workforce Pathways Program, the State Board must first distribute \$740,000 to Tri-County Technical College and \$602,000 to Central Carolina Technical College in order for each school to maintain operations of the existing Workforce Pathways programs established pursuant to Act 286 of 2014.

Any remaining funds shall be set aside in a separate and distinct account until a formula for distribution is developed by the State Board. The formula shall specify criteria for the Workforce Pathways program that each technical school must adhere to in order to receive their respective share of the set aside funding. At a minimum, each Workforce Pathways program must expand current best practices in technical career pathways for youth and unemployed or underemployed adults leading to immediate employment in high skill, high demand jobs with emphasis in STEM fields. The program shall utilize all credit and non-credit delivery systems within the technical college, include cohort training options for adults, provide dual credit for youth via college courses taught by college faculty, provide opportunities for prior learning credit for adults, include structured work-based learning or other apprenticeship training approaches, and result in industry-recognized work certifications as well as stackable postsecondary credentials. Workforce Pathways programs shall establish or build on existing collaborative design and coordination efforts with area school districts and career centers and with area employers. All technical colleges receiving funding through the Workforce Pathways must provide comprehensive evaluation and reporting mechanisms that include long-range tracking of individual and economic impacts as well as return-on-investment analyses.

The State Board shall report the formula for distribution and required criteria to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by August 31, ~~2016~~ 2017.

SFC: AMEND FURTHER to direct \$950,000 of remaining funds be used by the board, in consultation with DEW, DOC and Associated Industries of SC Foundation, to provide for the study, development and implementation of a statewide mobile education program designed to increase skilled trade professionals in various fields. Direct that the foundation is expected to raise private funds to support the program’s design and implementation. Require the procurement code be followed when using external resources. Direct the board to submit an annual report by December 31st to the Chairmen of various House and Senate committees that

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details the 1st year program design, budget and implementation strategy and subsequent years program budget and/or actual expenses and other key metrics to evaluate the program's success. Direct \$350,000 of any remaining funds be distributed to Orangeburg-Calhoun Technical College for expansion of its professional truck driving certificate program.

SEN: ADOPT proviso as amended further.

25.8. (TEC: Workforce Pathways Funding Distribution) Of the funds appropriated to the State Board for Technical and Comprehensive Education (*board*) for the Workforce Pathways Program, the ~~State Board~~ *board* must first distribute \$740,000 to Tri-County Technical College and \$602,000 to Central Carolina Technical College in order for each school to maintain operations of the existing Workforce Pathways programs established pursuant to Act 286 of 2014. *Of the remaining funds, \$950,000, must be used by the board, in consultation with the Department of Employment and Workforce, the Department of Commerce, and the Associated Industries of South Carolina Foundation (foundation) to provide for the study, development and implementation of a statewide mobile education program designed to increase the State's supply of skilled trade professionals to include construction, agribusiness, forestry, technology services, and trucking and transportation related fields. In developing the program, special consideration must be given, but not necessarily be limited to, exposing the state's public middle and high school students to workforce pathway opportunities in these or similar skilled trades, and as applicable, aligning these students with education and training opportunities at one of the State's several public technical colleges. In order to mitigate certain costs associated with this program, where practicable, the board, the Department of Employment and Workforce, the Department of Commerce, and the foundation are encouraged to coordinate existing expertise for the marketing of the program to include print, creative, video and still photography, website design and social media platforms. The foundation is also expected to raise private funds, including in-kind donations and/or sponsorship opportunities, to be utilized in direct support of the program's design, implementation, and ultimate success. Where external resources must be acquired by the board in support of the program, the State's Consolidated Procurement Code shall be followed. No later than December 31 each year, the board shall submit a report to the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, the Chairman of the House Education and Public Works Committee, the Chairman of the Senate Education Committee, the Chairman of the House Labor, Commerce and Industry Committee, and the Chairman of the Senate Labor, Commerce and Industry Committee detailing program design, budget and implementation strategy in the first year and in subsequent years program budget and/or actual expenses and other key metrics necessary for policymakers and the public to evaluate the program's success. In addition, in order to complement and/or accommodate the workforce supply and demand needs relative to the mobile education program's specific trucking and transportation related component, of the remaining funds after accounting for the allocations noted above, the board shall separately distribute \$350,000 to Orangeburg-Calhoun Technical College for expansion of its professional truck driving certificate program for the express purpose of increasing the number of professional truck drivers in the State.*

Any remaining funds shall be set aside in a separate and distinct account until a formula for distribution is developed by the State Board. The formula shall specify criteria for the Workforce Pathways program that each technical school must adhere to in order to receive their respective share of the set aside funding. At a minimum, each Workforce Pathways program must expand current best practices in technical career pathways for youth and unemployed or underemployed adults leading to immediate employment in high skill, high demand jobs with emphasis in STEM fields. The program shall utilize all credit and non-credit delivery systems within the technical college, include cohort training options for adults, provide dual credit for youth via college courses taught by college faculty, provide opportunities for prior learning credit for adults, include structured work-based learning or other apprenticeship training approaches, and result in

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industry-recognized work certifications as well as stackable postsecondary credentials. Workforce Pathways programs shall establish or build on existing collaborative design and coordination efforts with area school districts and career centers and with area employers. All technical colleges receiving funding through the Workforce Pathways must provide comprehensive evaluation and reporting mechanisms that include long-range tracking of individual and economic impacts as well as return-on-investment analyses.

The State Board shall report the formula for distribution and required criteria to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee by August 31, ~~2016~~ 2017.

- 25.9** **ADD** (Northeastern Technical College) **SFC:** ADD new proviso to direct that unexpended funds appropriated for the Northeastern Technical College Industrial Training Center in Act 93 of 2015 (CRF) shall be eligible to be spent for an alternate facility and/or location if the facility is used for a similar purpose and is more cost effective than the original concept.
SEN: ADOPT new proviso.

25.9. (TEC: Northeastern Technical College) Unexpended funds appropriated to the State Board for Technical and Comprehensive Education for Northeastern Technical College - Industrial Training Center in Act 93 of 2015, Section 1, item number 19, shall be eligible for expenditure in the current fiscal year for an alternate facility and/or location provided that the facility's use and purpose is similar and is demonstrably more cost effective than originally conceived.

- 25.10** **ADD** (Promise Scholarship Pilot Program) **SFC:** ADD new proviso to direct the State Board for Technical and Comprehensive Education to implement and administer a Promise Scholarship pilot program at Williamsburg Technical College. Require students be enrolled in at least six credit hours, have obtained a high school diploma or its equivalent within 6 years of application and must complete a FAFSA application to be eligible for the scholarship. Direct the value of the scholarship be equal to the cost of tuition and mandatory fees less all other applicable federal or state aid. Direct up to \$1,500 for books and other related expenses be provided as a stipend to students with a family income of 70% or less of the state median family income. Require students maintain a satisfactory academic progress and participate in a mentoring program developed by the board to remain eligible. Direct the board to submit a report to the Chairmen of the Senate Finance and House Ways and Means Committees by January 1, 2018, outlining specific metrics for proper evaluation.
SEN: ADOPT new proviso.

25.10. (TEC: Promise Scholarship Pilot Program) For the current fiscal year, and subject to funds appropriated to it for the express purposes as described herein, the State Board for Technical and Comprehensive Education (board) shall implement and administer a "Promise Scholarship" pilot program at Williamsburg Technical College for eligible residents within the college's service area seeking an associate's degree, certificate, or diploma.

To be eligible for the scholarship, a student must be admitted to Williamsburg Technical College, be enrolled in at least six credit hours at the institution, have obtained a high school diploma or its equivalent within six years of application for the scholarship, and must complete the free application for federal student aid (FAFSA). A student who has previously received a bachelor's degree is not eligible for the scholarship.

The value of the scholarship shall equal the cost of tuition and mandatory fees less all other applicable federal or state aid, including any combination of federal Pell grants, LIFE Scholarships, and/or Lottery Tuition Assistance (LTA) grants. Such aid must be credited first to the student's tuition and mandatory fees. In addition, up to one thousand five hundred dollars

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for books and other higher education expenses related to the cost of attendance shall be provided as a stipend to students with a family income that does not exceed seventy percent of the state median family income. If a student eligible for the stipend under this provision is enrolled less than full time, the student must receive a prorated portion of the stipend based on the number of credits in which the student is enrolled.

To remain eligible for the scholarship pilot program at Williamsburg Technical College, a student shall maintain satisfactory academic progress and participate in a mentoring program determined by guidelines developed by the board.

No later than January 1, 2018, the board shall submit a report to the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee detailing proper metrics necessary to evaluate the program's success or areas marked for improvement. The metrics shall include, but not necessarily be limited to, by major, program of study, and/or program type, the number of students served through the pilot program; the number that qualified for the additional stipend; the persistence rate of the students in the pilot program over time; and the increase, if any, in the number of recent high school graduates who attended Williamsburg Technical College.

SECTION 33 - J020 - DEPARTMENT OF HEALTH AND HUMAN SERVICES

33.20 AMEND FURTHER (Medicaid Accountability and Quality Improvement Initiative) Directs the department to implement accountability and quality improvements initiatives for: (A) Healthy Outcomes Initiative; (B) Improve Community Health; (C) Rural Hospital DSH Payment; (D) Primary Care Safety Net; (E) Rural and Underserved Area Provider Capacity; (F) Obesity Education; (G) Provider Eligibility Data; (H) Pilot of All-Inclusive Health Intervention for Vulnerable Mental Health Patients; and (I) Publish Quarterly Progress Reports.

WMC: AMEND proviso subsection (D) to change the following allocations: innovative care strategies from "\$4,000,000" to "\$3,600,000;" FQHCs from "\$6,400,000" to "\$5,000,000;" Free Clinics from "\$1,600,000" to "\$1,500,000;" and local alcohol and drug abuse authorities from "\$1,600,000" to "\$1,500,000." Delete the requirement that the department also explore a transition to a prospective payment system for FQHCs. Delete subsection (E) Rural and Underserved Area Provider Capacity. Amend renumbered subsection (G) to change the requirement that the department pilot "an all-inclusive" to "a behavioral" health intervention program. *For FY 2017-18, the department is proposing a \$2 million reduction designed to minimize the impact on the providers who have the most constrained access to other revenue sources (free clinics and 301s).* Fiscal Impact: Agency states it would reduce expenditures by approximately \$2 million (100% state funds) compared to FY 2016-17. *Deleted telemedicine language has been moved to new proviso 117.135 and rural health language has been moved to proviso 33.23.* Requested by Department of Health and Human Services.

HOU: ADOPT proviso as amended.

HOU2: AMEND House version, Section (D), to limit the fair hearing process to disputes made by Medicaid recipients and actions by the department and specifically exclude provider disputes from the fair hearing process. Direct provider disputes be made through the arbitration process. Add new Section (H) to use up to \$1,500,000 to establish a pilot program to expand medication-assisted treatment services for prescription opioid dependency and addiction. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

33.20. (DHHS: Medicaid Accountability and Quality Improvement Initiative) From the funds appropriated and authorized to the Department of Health and Human Services, the department is authorized to implement the following accountability and quality improvement initiatives:

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(A) Healthy Outcomes Initiative - The Department of Health and Human Services may tie Disproportionate Share Hospital (DSH) payments to participation in the Healthy Outcomes Initiative and may expand the program as DSH funding is available.

(B) To improve community health, the department may explore various health outreach, education, patient wellness and incentive programs. The department may pilot health interventions targeting diabetes, smoking cessation, weight management, heart disease, and other health conditions. These programs may be expanded as their potential to improve health and lower costs are identified by the department.

(C) Rural Hospital DSH Payment - Medicaid-designated rural hospitals in South Carolina may be eligible to receive up to one hundred percent of costs associated with uncompensated care as part of the DSH program. Funds shall be allocated from the existing DSH program. To be eligible, rural hospitals must participate in reporting and quality guidelines published by the department and outlined in the Healthy Outcomes Initiative. In addition to the requirements placed upon them by the department, rural hospitals must actively participate with the department and any other stakeholder identified by the department, in efforts to design an alternative health care delivery system in these regions.

(D) Primary Care Safety Net - The department shall implement a methodology to reimburse safety net providers participating in a hospital Healthy Outcomes Initiative program to provide primary care, behavioral health services, and pharmacy services for chronically ill individuals that do not have access to affordable insurance. Qualifying safety net providers are approved, licensed, and duly organized Federally Qualified Health Centers (FQHCs and other entities receiving funding under Section 330 of the Public Health Services Act), Rural Health Clinics (RHCs), local alcohol and drug abuse authorities established by Act 301 of 1973, Free Clinics, other clinics serving the uninsured, and Welvista. The department shall formulate a methodology and allocate ~~\$4,000,000~~ \$3,600,000 for innovative care strategies for qualifying safety net providers. The department shall formulate a separate methodology and allocate ~~\$6,400,000~~ \$5,000,000 of funding to FQHCs, at least ~~\$1,600,000~~ \$1,500,000 of funding for Free Clinics, and ~~\$1,600,000~~ \$1,500,000 of funding for local alcohol and drug abuse authorities created under Act 301 of 1973. The department ~~shall~~ may continue to develop and implement a process for obtaining encounter-level data that may be used to assess the cost and impact of services provided through this proviso. *The Fair Hearing Process at the department shall be limited to disputes by Medicaid Recipients and actions by the department, as mandated by 42 C.F.R. § 431.200 (a). Provider disputes are specifically excluded from the jurisdiction of, or the right to, the fair hearing process at the department. Such disputes shall be dealt with pursuant to the contractually agreed to arbitration provision in the provider agreement, if applicable, or, in the event the provider did not enter into such an agreement, through the arbitration process.* The department shall also explore a transition to a prospective payment system for FQHCs to provide greater predictability and stability for FQHC budgets.

~~(E) Rural and Underserved Area Provider Capacity—The department shall incentivize the development of primary care access in rural and underserved areas through the following mechanisms:~~

~~(1)the department shall leverage Medicaid spending on Graduate Medical Education (GME) by implementing methodologies that support recommendations contained in the January 2014 report of the South Carolina GME Advisory Group;~~

~~(2)the department shall develop or continue a program to leverage the use of teaching hospitals to provide rural physician coverage, expand the use of Telemedicine, and ensure targeted placement and support of OB/GYN services in at least four counties with a demonstrated lack of adequate OB/GYN resources by June 30, 2017; and~~

~~(3)during the current fiscal year the department shall contract with the MUSC Hospital Authority in the amount of \$10,000,000 to lead the development and operation of an open access South Carolina Telemedicine Network. Working with the department, the MUSC~~

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~~Hospital Authority shall collaborate with Palmetto Care Connections to pursue this goal. No less than \$1,000,000 of these funds shall be allocated toward support of Palmetto Care Connections and other hospitals in South Carolina. MUSC Hospital Authority must provide the department with quarterly reports regarding the funds allocation and progress of telemedicine transformation efforts and networks. MUSC Hospital Authority shall publish a summary report to the General Assembly indicating the overall progress of the state's telemedicine transformation by March 1, 2017. In addition, the department shall also contract with the MUSC Hospital Authority in the amount of \$1,000,000, and the USC School of Medicine in the amount of \$2,000,000 to further develop statewide teaching partnerships.~~

~~(4)the department shall partner with the University of South Carolina School of Medicine to develop a statewide Rural Health Initiative to identify strategies for significantly improving health care access, supporting physicians, and reducing health inequities in rural communities. Any funding supplied by the department in support of the Rural Health Initiative may be deducted from the allocation made to the USC School of Medicine in section (E)(3)of this proviso.~~

~~(F E)The department shall allocate funds to be used for obesity education for patients, reimbursement payments for providers, and continuing education for all providers through partnerships with the Department.~~

~~(G E)To be eligible for funds in this proviso, providers must provide the department with patient, service and financial data to assist in the operation and ongoing evaluation of both the initiatives resulting from this proviso, and other price, quality, transparency and DSH accountability efforts currently underway or initiated by the department. The Revenue and Fiscal Affairs Office shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations.~~

~~(H G)The department may pilot an all-inclusive a behavioral health intervention program for wrap-around care to vulnerable mental health patients who frequent the emergency room in hotspots and underserved areas within the state. The pilot program must provide reports detailing progress on the target population and health outcomes achieved. These programs may be expanded as their potential to improve health and lower costs are identified by the department.~~

~~(H) The department shall provide funding not to exceed \$1,500,000 to establish a pilot program to expand medication-assisted treatment (MAT) services for prescription opioid dependency and addiction, including such medical and behavioral health services necessary to support MAT interventions. The department shall consider evidence-based interventions, recommendations made in the December 2014 State Plan to Prevent and Treat Prescription Drug Abuse, and scalability in the design of the pilot program. In consultation with the Department of Alcohol and Drug Abuse Services and the MUSC Hospital Authority, the department may contract with such providers that are necessary to ensure impact in a geographical area of critical need.~~

~~(I) The department shall publish quarterly reports on the agency's website regarding the department's progress in meeting the goals established by this provision.~~

SFC: AMEND FURTHER, Section (D), to direct any newly established Community Health Center/FQHC shall receive an amount equivalent to the average disbursement made to all Centers/FQHCs.

SEN: ADOPT proviso as amended further.

33.20. (DHHS: Medicaid Accountability and Quality Improvement Initiative) From the funds appropriated and authorized to the Department of Health and Human Services, the department is authorized to implement the following accountability and quality improvement initiatives:

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(A) Healthy Outcomes Initiative - The Department of Health and Human Services may tie Disproportionate Share Hospital (DSH) payments to participation in the Healthy Outcomes Initiative and may expand the program as DSH funding is available.

(B) To improve community health, the department may explore various health outreach, education, patient wellness and incentive programs. The department may pilot health interventions targeting diabetes, smoking cessation, weight management, heart disease, and other health conditions. These programs may be expanded as their potential to improve health and lower costs are identified by the department.

(C) Rural Hospital DSH Payment - Medicaid-designated rural hospitals in South Carolina may be eligible to receive up to one hundred percent of costs associated with uncompensated care as part of the DSH program. Funds shall be allocated from the existing DSH program. To be eligible, rural hospitals must participate in reporting and quality guidelines published by the department and outlined in the Healthy Outcomes Initiative. In addition to the requirements placed upon them by the department, rural hospitals must actively participate with the department and any other stakeholder identified by the department, in efforts to design an alternative health care delivery system in these regions.

(D) Primary Care Safety Net - The department shall implement a methodology to reimburse safety net providers participating in a hospital Healthy Outcomes Initiative program to provide primary care, behavioral health services, and pharmacy services for chronically ill individuals that do not have access to affordable insurance. Qualifying safety net providers are approved, licensed, and duly organized Federally Qualified Health Centers (FQHCs and other entities receiving funding under Section 330 of the Public Health Services Act), Rural Health Clinics (RHCs), local alcohol and drug abuse authorities established by Act 301 of 1973, Free Clinics, other clinics serving the uninsured, and Welvista. The department shall formulate a methodology and allocate ~~\$4,000,000~~ \$3,600,000 for innovative care strategies for qualifying safety net providers. The department shall formulate a separate methodology and allocate ~~\$6,400,000~~ \$5,000,000 of funding to FQHCs, at least ~~\$1,600,000~~ \$1,500,000 of funding for Free Clinics, and ~~\$1,600,000~~ \$1,500,000 of funding for local alcohol and drug abuse authorities created under Act 301 of 1973. The department ~~shall~~ may continue to develop and implement a process for obtaining encounter-level data that may be used to assess the cost and impact of services provided through this proviso. Any newly established Community Health Center/FQHC shall receive an amount equivalent to the average disbursement made to all centers/FQHCs. The department shall also explore a transition to a prospective payment system for FQHCs to provide greater predictability and stability for FQHC budgets.

~~(E) Rural and Underserved Area Provider Capacity - The department shall incentivize the development of primary care access in rural and underserved areas through the following mechanisms:~~

~~(1) the department shall leverage Medicaid spending on Graduate Medical Education (GME) by implementing methodologies that support recommendations contained in the January 2014 report of the South Carolina GME Advisory Group;~~

~~(2) the department shall develop or continue a program to leverage the use of teaching hospitals to provide rural physician coverage, expand the use of Telemedicine, and ensure targeted placement and support of OB/GYN services in at least four counties with a demonstrated lack of adequate OB/GYN resources by June 30, 2017; and~~

~~(3) during the current fiscal year the department shall contract with the MUSC Hospital Authority in the amount of \$10,000,000 to lead the development and operation of an open access South Carolina Telemedicine Network. Working with the department, the MUSC Hospital Authority shall collaborate with Palmetto Care Connections to pursue this goal. No less than \$1,000,000 of these funds shall be allocated toward support of Palmetto Care Connections and other hospitals in South Carolina. MUSC Hospital Authority must provide the department with quarterly reports regarding the funds allocation and progress of telemedicine transformation~~

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~~efforts and networks. MUSC Hospital Authority shall publish a summary report to the General Assembly indicating the overall progress of the state's telemedicine transformation by March 1, 2017. In addition, the department shall also contract with the MUSC Hospital Authority in the amount of \$1,000,000, and the USC School of Medicine in the amount of \$2,000,000 to further develop statewide teaching partnerships.~~

~~(4) the department shall partner with the University of South Carolina School of Medicine to develop a statewide Rural Health Initiative to identify strategies for significantly improving health care access, supporting physicians, and reducing health inequities in rural communities. Any funding supplied by the department in support of the Rural Health Initiative may be deducted from the allocation made to the USC School of Medicine in section (E)(3) of this proviso.~~

~~(F E)~~ The department shall allocate funds to be used for obesity education for patients, reimbursement payments for providers, and continuing education for all providers through partnerships with the Department.

~~(G E)~~ To be eligible for funds in this proviso, providers must provide the department with patient, service and financial data to assist in the operation and ongoing evaluation of both the initiatives resulting from this proviso, and other price, quality, transparency and DSH accountability efforts currently underway or initiated by the department. The Revenue and Fiscal Affairs Office shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations.

~~(H G)~~ The department may pilot ~~an all-inclusive~~ a behavioral health intervention program for wrap-around care to vulnerable mental health patients who frequent the emergency room in hotspots and underserved areas within the state. The pilot program must provide reports detailing progress on the target population and health outcomes achieved. These programs may be expanded as their potential to improve health and lower costs are identified by the department.

~~(I H)~~ The department shall publish quarterly reports on the agency's website regarding the department's progress in meeting the goals established by this provision.

33.23 AMEND VS AMEND FURTHER (Rural Health Initiative) Directs the department to partner with various state agencies, institutions, and other key stakeholders to implement components of the Rural Health Initiative to address the needs of medically underserved communities and to leverage federal funds to implement the initiative. (A)(1) Rural Healthcare and Education - Directs the USC School of Medicine to consult with the S.C. Office of Rural Health in preparing a proposal for a Center of Excellence to support and develop rural medical education and delivery infrastructure with a statewide focus. Directs the department to authorize at least \$1,500,000 to support the center and prohibit these funds from being used by recipients to supplant existing resources; Requires the USC School of Medicine report on the how the funds designated through this provision were used and/or expended. (A)(2) Rural Medicine Workforce Development - Directs the department, in consultation with the Medical Education Advisory Committee, to support development of additional residency and/or fellowship slots or programs. (B) Directs the department to investigate the potential use of DSH and/or other allowable and appropriate sources of funds to improve access to emergency medical services in communities whose access has been degraded due to a hospital's closure during the past five years and to establish a DSH pool for this purpose.

WMC: AMEND proviso to authorize recurring and non-recurring Rural Health Initiative funds to be carried forward and expended for the same purpose. Amend subsection (A) to direct the department to incentivize development of primary care access in rural and underserved areas; leverage Medicaid spending on Graduate Medical Education by implementing new methodologies that support recommendations contained in the January 2014 SC GME Advisory Group report; and continue to leverage the use of teaching hospitals to ensure rural physician coverage. Add subsection (A)(1) Rural and Underserved Area Provider Capacity to direct the

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department to partner with USC School of Medicine to develop a statewide Rural Health Initiative and to use \$1,000,000 to contract with the MUSC Hospital Authority and \$2,000,000 to contract with the USC School of Medicine to further develop statewide teaching partnerships. Amend subsection (A)(3) to delete the requirement that applications to the ACGME must be developed by June 30, 2017. Add subsection (A)(4) Statewide Health Innovations to direct the department to spend at least \$2,000,000 to contract with the USC School of Medicine and at least \$1,000,000 to contract with the MUSC Hospital Authority to develop and continue innovative healthcare delivery and training opportunities via ICARED and other innovative programs. Amend subsection (B) to authorize the department to carry forward DSH capacity from a previous period as federally permissible. Requested by Department of Health and Human Services.

HOU: ADOPT proviso as amended.

33.23. (DHHS: Rural Health Initiative) From the funds appropriated to the Department of Health and Human Services for the Rural Health Initiative, the department shall partner with the following state agencies, institutions, and other key stakeholders to implement these components of a Rural Health Initiative to better meet the needs of medically underserved communities throughout the state. The department may leverage any and all available federal funds to implement this initiative. Recurring and non-recurring funding for the Rural Health Initiative may be carried forward by the department and expended for the same purpose.

(A) The Department of Health and Human Services shall ~~take appropriate action to facilitate~~ incentivize the development of primary care access in rural and underserved areas, leverage Medicaid spending on Graduate Medical Education (GME) by implementing methodologies that support recommendations contained in the January 2014 report of the South Carolina GME Advisory Group, and continue to leverage the use of teaching hospitals to ensure rural physician coverage in counties with a demonstrated lack of adequate access and coverage through the following provisions:

(1) Rural and Underserved Area Provider Capacity - the department shall partner with the University of South Carolina School of Medicine to develop a statewide Rural Health Initiative to identify strategies for significantly improving health care access, supporting physicians, and reducing health inequities in rural communities. In addition, the department shall also contract with the MUSC Hospital Authority in the amount of \$1,000,000, and the USC School of Medicine in the amount of \$2,000,000 to further develop statewide teaching partnerships.

~~(1 2)~~ Rural Healthcare Coverage and Education - The USC School of Medicine, ~~shall consult in consultation with the South Carolina Office of Rural Health, in preparing a proposal for~~ shall continue to operate a Center of Excellence to support and develop rural medical education and delivery infrastructure with a statewide focus, through clinical practice, training, and research, as well as collaboration with other state agencies and institutions. The center's activities must be centered on efforts to improve access to care and expand healthcare provider capacity in rural communities. The department shall authorize at least \$1,000,000 to support center staffing as well as the programs and collaborations delivering rural health research, the ICARED program, workforce development scholarships and recruitment, rural fellowships, health education development, and/or rural practice support and education. Funding released by the department pursuant to this section must not be used by the recipient(s) to supplant existing resources already used for the same or comparable purposes. No later than February 1st of the current fiscal year, the USC School of Medicine shall report to the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and the Director of the Department of Health and Human Services on the specific uses of funds budgeted and/or expended pursuant to this provision.

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(2 3) Rural Medicine Workforce Development - The department, in consultation with the Medical Education Advisory Committee (MEAC), shall support the development of additional residency and/or fellowship slots or programs in rural medicine, family medicine, and any other appropriate primary care specialties that have been identified by the department as not being adequately served by existing Graduate Medical Education programs. The department shall ensure that each in-state member of the Association of American Medical Colleges is afforded the opportunity to participate in MEAC. New training sites and/or residency positions are subject to approval as specified by the Accreditation Council for Graduate Medical Education (ACGME). ~~Applications to the ACGME must be developed no later than June 30, 2017.~~ The department may also accept proposals and award grants for programs designed to expose resident physicians to rural practice and enhance the opportunity to recruit these residents for long-term practice in these rural and/or underserved communities. Up to \$500,000 of the recurring funds appropriated to the department for the Rural Health Initiative may be used for this purpose.

(4) Statewide Health Innovations - At least \$2,000,000 must be expended by the department to contract with the USC School of Medicine and at least \$1,000,000 to the MUSC Hospital Authority to develop and continue innovative healthcare delivery and training opportunities through collaborative community engagement via ICARED and other innovative programs that provide clinical services, mental and behavioral health services, children's health, OB/GYN services, and/or chronic disease coverage gaps. In consultation with the Office of Rural Health, the department must ensure collaborative efforts with the greatest potential for impact are prioritized.

(B) The department shall continue to investigate the potential use of DSH and/or any other allowable and appropriate source of funds in order to improve access to emergency medical services in one or more communities identified by the department in which such access has been degraded due to a hospital's closure during the past five years. In the current fiscal year, the department is authorized to establish a DSH pool, or carry forward DSH capacity from a previous period as federally permissible, for this purpose and/or if deemed necessary to implement transformation plans for which conforming applications were filed with the department ~~on or before April 1, 2016~~ pursuant to this or a previous hospital transformation or rural health initiative proviso, but for which additional negotiations or development were required. An emergency department that is established within 35 miles of its sponsoring hospital ~~during the current fiscal year~~ pursuant to this or a previous hospital transformation or rural health initiative proviso and which receives dedicated funding pursuant to this proviso shall be exempt from any Department of Health and Environmental Control Certificate of Need requirements or regulations. Any such facility shall participate in the ~~Statewide~~ South Carolina Telemedicine Network.

(C) The Revenue and Fiscal Affairs Office and the Area Health Education Consortium's Office of Healthcare Workforce Analysis and Planning shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations.

SFC: AMEND FURTHER, Section A(4) Statewide Health Innovations, to change the amount required to be used to contract with the USC School of Medicine from "\$2,000,000" to "\$1,000,000."

SEN: ADOPT proviso as amended further.

33.23. (DHHS: Rural Health Initiative) From the funds appropriated to the Department of Health and Human Services for the Rural Health Initiative, the department shall partner with the following state agencies, institutions, and other key stakeholders to implement these components of a Rural Health Initiative to better meet the needs of medically underserved communities throughout the state. The department may leverage any and all available federal funds to

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implement this initiative. Recurring and non-recurring funding for the Rural Health Initiative may be carried forward by the department and expended for the same purpose.

(A) The Department of Health and Human Services shall ~~take appropriate action to facilitate~~ incentivize the development of primary care access in rural and underserved areas, leverage Medicaid spending on Graduate Medical Education (GME) by implementing methodologies that support recommendations contained in the January 2014 report of the South Carolina GME Advisory Group, and continue to leverage the use of teaching hospitals to ensure rural physician coverage in counties with a demonstrated lack of adequate access and coverage through the following provisions:

(1) Rural and Underserved Area Provider Capacity - the department shall partner with the University of South Carolina School of Medicine to develop a statewide Rural Health Initiative to identify strategies for significantly improving health care access, supporting physicians, and reducing health inequities in rural communities. In addition, the department shall also contract with the MUSC Hospital Authority in the amount of \$1,000,000, and the USC School of Medicine in the amount of \$2,000,000 to further develop statewide teaching partnerships.

~~(1 2)~~ Rural Healthcare Coverage and Education - The USC School of Medicine, ~~shall consult in consultation~~ with the South Carolina Office of Rural Health, ~~in preparing a proposal for~~ shall continue to operate a Center of Excellence to support and develop rural medical education and delivery infrastructure with a statewide focus, through clinical practice, training, and research, as well as collaboration with other state agencies and institutions. The center's activities must be centered on efforts to improve access to care and expand healthcare provider capacity in rural communities. The department shall authorize at least \$1,000,000 to support center staffing as well as the programs and collaborations delivering rural health research, the ICARED program, workforce development scholarships and recruitment, rural fellowships, health education development, and/or rural practice support and education. Funding released by the department pursuant to this section must not be used by the recipient(s) to supplant existing resources already used for the same or comparable purposes. No later than February 1st of the current fiscal year, the USC School of Medicine shall report to the Chairman of the House Ways and Means Committee, the Chairman of the Senate Finance Committee, and the Director of the Department of Health and Human Services on the specific uses of funds budgeted and/or expended pursuant to this provision.

~~(2 3)~~ Rural Medicine Workforce Development - The department, in consultation with the Medical Education Advisory Committee (MEAC), shall support the development of additional residency and/or fellowship slots or programs in rural medicine, family medicine, and any other appropriate primary care specialties that have been identified by the department as not being adequately served by existing Graduate Medical Education programs. The department shall ensure that each in-state member of the Association of American Medical Colleges is afforded the opportunity to participate in MEAC. New training sites and/or residency positions are subject to approval as specified by the Accreditation Council for Graduate Medical Education (ACGME). ~~Applications to the ACGME must be developed no later than June 30, 2017.~~ The department may also accept proposals and award grants for programs designed to expose resident physicians to rural practice and enhance the opportunity to recruit these residents for long-term practice in these rural and/or underserved communities. Up to \$500,000 of the recurring funds appropriated to the department for the Rural Health Initiative may be used for this purpose.

(4) Statewide Health Innovations - At least \$1,000,000 must be expended by the department to contract with the USC School of Medicine and at least \$1,000,000 to the MUSC Hospital Authority to develop and continue innovative healthcare delivery and training opportunities through collaborative community engagement via ICARED and other innovative programs that provide clinical services, mental and behavioral health services, children's health, OB/GYN services, and/or chronic disease coverage gaps. In consultation with the Office of Rural

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Health, the department must ensure collaborative efforts with the greatest potential for impact are prioritized.

(B) The department shall continue to investigate the potential use of DSH and/or any other allowable and appropriate source of funds in order to improve access to emergency medical services in one or more communities identified by the department in which such access has been degraded due to a hospital's closure during the past five years. In the current fiscal year, the department is authorized to establish a DSH pool, or carry forward DSH capacity from a previous period as federally permissible, for this purpose and/or if deemed necessary to implement transformation plans for which conforming applications were filed with the department ~~on or before April 1, 2016~~ pursuant to this or a previous hospital transformation or rural health initiative proviso, but for which additional negotiations or development were required. An emergency department that is established within 35 miles of its sponsoring hospital ~~during the current fiscal year~~ pursuant to this or a previous hospital transformation or rural health initiative proviso and which receives dedicated funding pursuant to this proviso shall be exempt from any Department of Health and Environmental Control Certificate of Need requirements or regulations. Any such facility shall participate in the ~~Statewide~~ South Carolina Telemedicine Network.

(C) The Revenue and Fiscal Affairs Office and the Area Health Education Consortium's Office of Healthcare Workforce Analysis and Planning shall provide the department with any information required by the department in order to implement this proviso in accordance with state law and regulations.

33.25 ADD VS DELETE NEW PROVISO (Personal Emergency Response System) WMC: ADD new proviso to direct the department to develop RFPs to provide for Personal Emergency Response Systems (PERS) to be issued to Medicaid recipients based on the department's Medicaid Home and Community-based waiver. Direct that PERS devices must include unlimited 24-7 live phone contact with RNs for triage services. Require the PERS nurse triage call centers be accredited and separate from PERS emergency response call centers. Require PERS devices comply with all FCC rules and regulations. Require the department apply for any necessary waivers.

HOU: ADOPT new proviso.

33.25. (DHHS: Personal Emergency Response System) With funds appropriated and authorized to the Department of Health and Human Services for Fiscal Year 2017-18, the department shall develop one or more Requests for Proposals, to provide for Personal Emergency Response Systems (PERS) to be issued to Medicaid recipients pursuant to the department's Medicaid Home and Community-based waiver. The PERS devices must include in addition to emergency response services, unlimited twenty-four hour, seven-day a week live phone contact with experienced registered nurses for triage services. A PERS nurse triage call center must be accredited and must be separate from the PERS emergency response call center. The PERS device must have a wireless radio transmitter and a console that is cellular and does not require a traditional land line. A PERS device that includes nurse triage services also must comply with the requirements of Federal Communications Commission rules, 47 C.F.R. Part 68; and be approved by the Underwriters Laboratory or Equipment Testing Laboratories as a health care signaling product. The Department of Health and Human Services shall apply for any waiver necessary under the department's Medicaid Home and Community-based waiver to implement these provisions.

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SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

33.25. (DHHS: Personal Emergency Response System) DELETED

SECTION 34 - J040 - DEPARTMENT OF HEALTH AND ENVIRONMENTAL CONTROL

34.43 **AMEND** (Residential Treatment Facilities Swing Beds) Allows residential treatment facilities to convert up to 18 beds to acute psychiatric beds. Stipulates that the conversion would have to comply with federal rules and regulations.

SFC: AMEND proviso to update fiscal year reference to FY 2017-18.

SEN: ADOPT proviso as amended.

34.43. (DHEC: Residential Treatment Facilities Swing Beds) For Fiscal Year ~~2016-17~~ 2017-18 in coordination with the South Carolina Health Plan and to improve access for acute psychiatric beds as patient populations demand, Residential Treatment Facilities (RTF) may swing up to eighteen beds per qualifying facility to accommodate patients with a diagnosis of an acute psychiatric disorder. In order to qualify to utilize swing beds a facility must meet the following criteria: the facility must currently have both licensed acute psychiatric and residential treatment facility beds, the RTF beds must meet the same licensure requirements as the existing licensed acute psychiatric beds, and any facility utilizing swing beds must keep the acute and RTF patient populations separate and distinct. The utilization of swing beds must also comply with all federal Centers for Medicare and Medicaid Services rules and regulations.

34.48 **AMEND FURTHER** (~~Birthing~~ Birth Center Inspections) Requires accredited birthing centers to register an on-call agreement and any transfer policies with DHEC.

WMC: AMEND proviso to change “birthing” to “birth.” Delete reference to centers being accredited by the Commission on Accreditation of Birth Centers. Require the on-call agreement contain provisions for the on-call physician “or his/her designee” to have “hospital admitting privileges” at the hospital that is within a 30 minute drive of the birth center.

HOU: AMEND FURTHER to direct the “department to ensure” that all licensed birth centers register an on-call agreement and transfer policies with DHEC and delete reference to centers being accredited by the Commission on Accreditation of Birth Centers. Change “his/her designee” reference to “another physician designated by the on-call physician.” Require the physician to also have hospital consulting privileges. Require acute care hospitals licensed by the department to negotiate in good faith and fair dealing effort with any birth center licensed by the department within a 50 mile radius to establish a written transfer agreement. Sponsors: Reps. Hill and G.M. Smith.

34.48. (DHEC: ~~Birthing~~ Birth Center Inspections) ~~For~~ With the funds appropriated and authorized to the Department of Health and Environmental Control for this fiscal year, ~~birthing the department shall ensure that all licensed birth~~ centers, ~~accredited by the Commission on Accreditation of Birth Centers,~~ must register an on-call agreement and any transfer policies with the Department of Health and Environmental Control. The on-call agreement shall contain provisions which provide that the on-call physician, or another physician designated by the on-call physician, is readily available to provide medical assistance either in person or by telecommunications or other electronic means, which means the physician must be within a thirty minute drive of the ~~birthing~~ birth center or hospital, must be licensed in the State of South Carolina, and have hospital admitting or consulting privileges, and shall provide consultation and advice to the ~~birthing~~ birth center at all times it is serving the public. Furthermore, a ~~birthing~~ birth center shall document in its practice guidelines and policies the ability to transfer care to an

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acute care hospital with obstetrical and newborn services and must demonstrate this by: (A) coordinated transfer care plans, protocols, procedures, arrangements, or through collaboration with one or more acute care hospitals with appropriate obstetrical and newborn services; and (B) admitting *or consulting* privileges at one or more hospitals with appropriate obstetrical and newborn services by a ~~birthing~~ *birth* center's consulting physician. The department shall require a \$25.00 registration fee upon receipt and review of the agreements containing these provisions. Acute care hospitals licensed by the department must negotiate in good faith and fair dealing effort with any birth center licensed by the department within a 50 mile radius to establish a written transfer agreement pursuant to this proviso. ~~Birthing Birth~~ centers registering on-call and transfer policies in accordance with this proviso shall be deemed by the department to be in compliance with Section 44-89-60(3) of the South Carolina Code and any implementing regulations for this fiscal year.

SFC: AMEND FURTHER to reinsert the specification for birth centers "accredited by the Commission on Accreditation of Birth Centers."

SEN: ADOPT proviso as amended further.

34.48. (DHEC: ~~Birthing Birth~~ Center Inspections) ~~For~~ With the funds appropriated and authorized to the Department of Health and Environmental Control for this fiscal year, ~~the department shall ensure that birth~~ centers, accredited by the Commission on Accreditation of Birth Centers, must register an on-call agreement and any transfer policies with the Department of Health and Environmental Control. The on-call agreement shall contain provisions which provide that the on-call physician, or another physician designated by the on-call physician, is readily available to provide medical assistance either in person or by telecommunications or other electronic means, which means the physician must be within a thirty minute drive of the ~~birthing birth~~ center or hospital, must be licensed in the State of South Carolina, and have hospital admitting or consulting privileges, and shall provide consultation and advice to the ~~birthing birth~~ center at all times it is serving the public. Furthermore, a ~~birthing birth~~ center shall document in its practice guidelines and policies the ability to transfer care to an acute care hospital with obstetrical and newborn services and must demonstrate this by: (A) coordinated transfer care plans, protocols, procedures, arrangements, or through collaboration with one or more acute care hospitals with appropriate obstetrical and newborn services; and (B) admitting *or consulting* privileges at one or more hospitals with appropriate obstetrical and newborn services by a ~~birthing birth~~ center's consulting physician. The department shall require a \$25.00 registration fee upon receipt and review of the agreements containing these provisions. Acute care hospitals licensed by the department must negotiate in good faith and fair dealing effort with any accredited birth center within a 50 mile radius to establish a written transfer agreement pursuant to this proviso. ~~Birthing Birth~~ centers registering on-call and transfer policies in accordance with this proviso shall be deemed by the department to be in compliance with Section 44-89-60(3) of the South Carolina Code and any implementing regulations for this fiscal year.

34.52 **DELETE** (Home Health License Transfer) Directs the department to use the first \$750,000 of the funds made available through transfer of licenses for Home Health Services from DHEC to Capital Care Resources of South Carolina, LLC for the final close out of Home Health including contractual obligations, to transition records to a format to meet record retention requirements, and to cover non-recurring expenses as follows: \$2,618,400 for Data Center Infrastructure; \$5,200,000 for Pinewood Custodial Site Capital Improvements and Repairs; \$5,781,600 for Electronic Medical Records; and \$3,150,000 for Flood Recovery Operations.

SFC: DELETE proviso. *Transfer is complete.*

SEN: ADOPT deletion of proviso.

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34.52. (DHEC: Home Health License Transfer) ~~From the funds made available through the transfer of licenses for Home Health Services from the Department of Health and Environmental Control to Capital Care Resources of South Carolina, LLC, the department shall use the first \$750,000 for the final close out of Home Health including coverage of contractual obligations for the Home Health information system and to transition those records to another format to meet record retention requirements and cover the one time, non-recurring expenses for the following items:~~

(1) Data Center Infrastructure	_____	\$2,618,400;
(2) Pinewood Custodial Site Capital Improvements and Repairs	_____	\$5,200,000;
(3) Electronic Medical Records	_____	\$5,781,600; and
(4) Flood Recovery Operations	_____	\$3,150,000.

34.55 **ADD VS DELETE NEW PROVISO** (Remedial Actions on Regulated Dams) **WMC:** ADD new proviso to allow DHEC to enter into contracts with one or more contractors to perform remedial actions on dams regulated under the SC Dams and Reservoir and Safety Act as necessary to protect life or property when an emergency order has been issued. Direct that these contracts shall be exempt from the Procurement Code's purchasing procedures.

HOU: ADOPT new proviso.

34.55. (DHEC: Remedial Actions on Regulated Dams) With funds appropriated or authorized for the Department of Health and Environmental Control in Fiscal Year 2017-18, the department may enter into contracts with one or more contractors to perform remedial actions on dams regulated under the SC Dams and Reservoir and Safety Act as necessary to protect life or property. Remedial actions may be implemented where the department has issued an emergency order for a dam to protect life or property. Remedial actions include, but are not limited to, lowering water levels, placing rip rap, and breaching dams. These contracts shall be exempt from the purchasing procedures of the South Carolina Consolidated Procurement Code.

SFC: AMEND new proviso to require DHEC use competitive procedures to select the contractor(s).

SEN: DELETE new proviso. *Ruled out of order.*

34.55. (DHEC: Remedial Actions on Regulated Dams) DELETED

34.57 **ADD VS AMEND NEW PROVISO FURTHER** (Lake Conestee Dam and Reservoir) **WMC:** ADD new proviso to direct DHEC to appropriate up to \$185,000 to the Conestee Foundation to conduct an expert dam engineering study to examine alternatives to rehabilitate and/or replace the Lake Conestee Dam. Direct that that study include related construction and long term care costs and identify a Final Recommended Alternative appropriate for final design and construction. Provide for the membership of a panel to select a contractor to conduct the study. Direct that funding of the study does not obligate the state for the future costs of anticipated dam rehabilitation or replacement.

HOU: ADOPT new proviso.

34.57. (DHEC: Lake Conestee Dam and Reservoir) Of the funds appropriated and authorized to the Department of Health and Environmental Control, the department shall appropriate up to \$185,000 to the Conestee Foundation, the owner of the Lake Conestee Dam, to conduct an expert dam engineering study. The objective of this study shall be to examine alternatives for the rehabilitation and/or replacement of the present Lake Conestee Dam. The study shall include all inspection, survey, engineering analysis, risk calculations, sampling and environmental testing activities, and hydrologic modeling necessary to evaluate all viable

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alternatives, and related construction and long term care costs and other related requirements necessary to compare the alternatives in accordance with appropriate state and federal agency requirements, and customary dam engineering requirements. The study shall identify a Final Recommended Alternative appropriate for final design and construction.

The contractor conducting the study on behalf of the Conestee Foundation shall be selected in a manner similar to state procurement standards. The panel selecting the contractor shall be made up of one representative of the Conestee Foundation, one representative of the Department of Health and Environmental Control, and one appointee selected by the Greenville County legislative delegation. The study must meet all regulatory requirements and the department will provide review of the study and scope of work. The funding of this study does not obligate the State of South Carolina in any way for the future cost of the anticipated rehabilitation or replacement of the dam.

SFC: AMEND new proviso to delete the directives on the selection of a contractor to conduct the study.

SEN: AMEND FURTHER to require the selection of the contractor follow state procurement standards and provide for the composition of the selection panel. Require that the study meet all regulatory requirements and direct DHEC to provide a review of the study and scope of work. Direct that the study does not obligate the State to the future costs of rehabilitation or replacement of the dam. Sponsor: Sen. Timmons.

34.57. (DHEC: Lake Conestee Dam and Reservoir) Of the funds appropriated and authorized to the Department of Health and Environmental Control, the department shall appropriate up to \$185,000 to the Conestee Foundation, the owner of the Lake Conestee Dam, to conduct an expert dam engineering study. The objective of this study shall be to examine alternatives for the rehabilitation and/or replacement of the present Lake Conestee Dam. The study shall include all inspection, survey, engineering analysis, risk calculations, sampling and environmental testing activities, and hydrologic modeling necessary to evaluate all viable alternatives, and related construction and long term care costs and other related requirements necessary to compare the alternatives in accordance with appropriate state and federal agency requirements, and customary dam engineering requirements. The study shall identify a Final Recommended Alternative appropriate for final design and construction.

The contractor conducting the study on behalf of the Conestee Foundation shall be selected in a manner similar to state procurement standards. The panel selecting the contractor shall be made up of one representative of the Conestee Foundation, one representative from the Department of Health and Environmental Control, one representative appointed by the Greenville County Legislative Delegation, one representative appointed by the Greenwood County Legislative Delegation, one representative appointed by the Laurens County Legislative Delegation, one representative from the Environmental Protection Agency, and one representative from the Federal Emergency Management Agency. The study must meet all regulatory requirements, and the Department of Health and Environmental Control will provide review of the study and scope of work. The funding of this study does not obligate the State of South Carolina in any way to the future costs of the anticipated rehabilitation or replacement of the dam.

34.58 ADD VS DELETE NEW PROVISIO (Ocean Water Quality Outfall Initiative) **WMC:** ADD new proviso to direct the department's Beach Renourishment Fund be made available as state matching funds for Horry County Ocean Water Quality Outfall Initiatives. Authorize funds to be retained and carried forward for the same purpose.

HOU: ADOPT new proviso.

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34.58. (DHEC: Ocean Water Quality Outfall Initiative) In the current fiscal year, funds appropriated and authorized to the Department of Health and Environmental Control in the department's Beach Renourishment Fund shall be made available as state matching funds for Horry County Ocean Water Quality Outfall Initiatives. The department is authorized to retain and carry forward these funds into the current fiscal year to be used for the same purpose. Any interest generated by the account must be credited and deposited into this account, to be used as state matching funds for either local or federal funding, and utilized for Ocean Water Quality Outfall Initiatives in Horry County.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

34.58. (DHEC: Ocean Water Quality Outfall Initiative) **DELETED**

- 34.59** **ADD** (Alida Street Project) **SFC:** ADD new proviso to direct funds appropriated by proviso 118.14(B)(22)(j) to DHEC for the Indoor Aquatic and Community Center of Richland County be redirected to the City of Columbia for the Alida Street Project.
SEN: ADOPT new proviso.

34.59. (DHEC: Alida Street Project) The funds appropriated in Act 91 of 2015 by proviso 118.14(B)(22)(j) to the Department of Health and Environmental Control for the Indoor Aquatic and Community Center - Richland County (Requires 2:1 Match) shall be redirected to the City of Columbia to be used as match for the Alida Street project.

- 34.60** **ADD** (Best Chance Network/Colon Cancer Prevention) **SFC:** ADD new proviso to direct \$500,000 be used for the Best Chance Network and \$500,000 be used as matching funds for the Colon Cancer Prevention Network.
SEN: ADOPT new proviso.

34.60. (DHEC: Best Chance Network/Colon Cancer Prevention) Of the funds appropriated to the department for Best Chance Network and Colon Cancer Prevention, the department shall utilize \$500,000 for the Best Chance Network and \$500,000 as matching funds for the Colon Cancer Prevention Network.

- 34.61** **ADD** (Hazardous Waste Fund County Account) **SEN:** ADD new proviso to direct the State Treasurer to release a county's Hazardous Waste Fund County Account upon written request of a majority of the legislative delegation that represents the economically depressed area of the county and direct that the funds be used for infrastructure in the depressed area. Defines "infrastructure" for this purpose. Sponsor: Sen. J. Matthews.

34.61. (DHEC: Hazardous Waste Fund County Account) Funds in each county's Hazardous Waste Fund County Account must be released by the State Treasurer, upon the written request of a majority of the county's legislative delegation representing the economically depressed area of the county, and shall be used for infrastructure within the economically depressed area of that county. For purposes of this provision the definition of "infrastructure" includes, but is not limited to, improvements for water, sewer, gas, steam, electric energy, communication and other ancillary services that may be made to a building or land which are considered necessary, suitable, or useful to an eligible project that has a documented impact on economic development.

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SECTION 36 - J160 - DEPARTMENT OF DISABILITIES AND SPECIAL NEEDS

36.8 AMEND (Pervasive Developmental Disorder) Directs that since DDSN is the agency authorized to treat autistic disorder, it is the agency designated for a Medicaid project to treat children diagnosed by 8 years of age with a pervasive developmental disorder; provides guidelines for project participation, treatment, and reimbursement; and defines “pervasive developmental disorder.” Directs DDSN and DHHS to develop a transition plan for PDD waiver services to Medicaid State Plan services.

SFC: AMEND proviso to direct the department to permanently transfer all uncommitted matching funds to DHHS on a quarterly basis for Applied Behavioral Analysis lead and line therapist services to ensure access to care. Direct the department provide a report to the Ways and Means and Senate Finance Committees within 30 days of the close of the fiscal year on the amount of funds transferred to DHHS.

SEN: ADOPT proviso as amended.

36.8. (DDSN: Pervasive Developmental Disorder) The Department of Disabilities and Special Needs, as the agency authorized to treat autistic disorder, is designated for a Medicaid project to treat children who have been diagnosed by eight years of age with a pervasive developmental disorder. The project must target the youngest ages feasible for treatment effectiveness, treatment for each individual child shall not exceed three years without a special exception as defined in the waiver, and reimbursement for each individual participant may not exceed \$50,000 per year. The Department of Disabilities and Special Needs and the Department of Health and Human Services will determine the areas of the State with the greatest need and availability of providers. Children participating in the project will be selected based upon an application system developed in compliance with the Medicaid waiver. Treatment will be provided as authorized and prescribed by the department according to the degree of the developmental disability. In authorizing and prescribing treatment the department may award grants or negotiate and contract with public or private entities to implement intervention programs, which must comply with Medicaid reimbursement methodologies, for children who have been diagnosed with a pervasive developmental disorder. “Pervasive developmental disorder” means a neurological condition, including autistic disorder and Asperger’s syndrome, as defined in the most recent edition of the Diagnostic and Statistical Manual of Mental Disorders of the American Psychiatric Association. The department shall report semi-annually to the General Assembly and the Governor on the developmental progress of the children participating in the project and the fiscal status of the project, to include expenditure data and appropriation balances. This provision does not establish or authorize creation of an entitlement program or benefit.

The Department of Disabilities and Special Needs and the Department of Health and Human Services shall develop a plan to transition children in the Pervasive Developmental Disorder Program (PDD) to Medicaid State Plan services in a manner that minimizes any break in service. Private insurance benefits which include Autism Spectrum Disorder services shall be sought prior to the expenditure of Medicaid or State funds for these services. For children not Medicaid eligible, the Department of Disabilities and Special Needs shall develop a sliding fee scale based on a means test for determining payment by a family for PDD services.

As children transition from the waiver to the Medicaid State Plan, the Department of Disabilities and Special Needs shall permanently transfer, on a quarterly basis, all uncommitted Medicaid matching funds to the Department of Health and Human Services to be used for Applied Behavioral Analysis lead and line therapist services to ensure access to care. The Department of Disabilities and Special Needs shall provide a report to the House Ways and Means Committee and the Senate Finance Committee within thirty days after the close of the fiscal year on the amount of funds transferred to the Department of Health and Human Services.

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- 36.12 DELETE** (Greenwood Genetic Center Autism Research) Authorizes the department to transfer up to \$500,000 of unencumbered PDD autism waiver funds to the Greenwood Genetic Center for autism research.
SFC: DELETE proviso. *Part IA funding has been realigned to reflect the transfer to the Center.*
SEN: ADOPT deletion of proviso.

~~**36.12.** (DDSN: Greenwood Genetic Center Autism Research) The department is authorized to transfer up to \$500,000 of unencumbered funds from the PDD autism waiver to the Greenwood Genetic Center for autism research.~~

SECTION 38 - L040 - DEPARTMENT OF SOCIAL SERVICES

- 38.24 AMEND** (Internal Child Fatality Review Committees) Directs the DSS director to create and fund Internal Child Fatality Review Committees to allow for prompt review of reported child fatalities that come within the department's investigative authority and to enable DSS to rapidly respond to the safety needs of any surviving siblings.
SFC: AMEND proviso to update fiscal year reference to 2017-18.
SEN: ADOPT proviso as amended.

~~**38.24.** (DSS: Internal Child Fatality Review Committees) For Fiscal Year ~~2016-17~~ 2017-18, the Director of the Department of Social Services shall create and fund Internal Child Fatality Review Committees (internal committees) pursuant to the authority granted in Sections 43-1-60(3), 43-1-80, and 63-7-910(E) of the 1976 Code to allow for the rapid and expeditious review of reported child fatalities that are reported to the Department of Social Services on suspicion of abandonment, child abuse, neglect or harm as defined in Section 63-7-20. This review process will enable the department to respond to the safety needs of any surviving siblings and will lead to improvement in the department's efforts to prevent child fatalities caused by abandonment, child abuse, neglect or harm. Each internal committee shall be composed of a board-certified child abuse pediatrician, an agent from the State Law Enforcement Division, a local law enforcement officer, a representative from the local coroner's office, and representatives from the Department of Social Services. The internal committee may invite other service provider organizations as deemed necessary. The department is authorized to provide reasonable compensation for board-certified child abuse pediatricians serving on an internal committee. Internal committees shall have access to information and records maintained by a provider of medical care regarding a child whose death is being reviewed by the internal committee, including information on prenatal care; all information and records maintained by any state, county, or local government agency, including, but not limited to, birth certificates, law enforcement investigation data, county coroner or medical examiner investigation data, parole and probation information and records, and information and records of health agencies that provided services to the child or family. The meetings, information obtained by, reports prepared by, and statements made before the internal committees are confidential and protected from disclosure pursuant to the Freedom of Information Act, criminal and civil proceedings, and subpoenas as set forth in Sections 63-7-940 and 63-7-1990.~~

- 38.28 ADD VS DELETE NEW PROVISO** (Group Home Transition) **HOU:** ADD new proviso to direct the department to provide financial and administrative support to group homes to enable any necessary transition of services or the development of new service models for children and young adults. Direct that group homes with young adults ages 18 to 23 are not required to provide 24 hour face to face supervision. Sponsor: Rep. Finlay.

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38.28. (DSS: Group Home Transition) For the current fiscal year, the Department of Social Services shall provide financial and administrative support and flexibility to Group Homes in order to best enable any necessary transition of services or the development of new service models for children and young adults. Group Homes with young adults between the ages of 18 to 23 years residing in approved and supervised independent living programs shall not be required to provide 24 hours per day face to face supervision for the resident. Regulatory and contractual requirements must not be different for supervision and staff ratios when a young adult aged 18 to 23 is a resident in an approved and supervised independent living program.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

38.28. (DSS: Group Home Transition) DELETED

38.29 ADD (SNAP Eligibility) HOU2: AMEND House version to ADD new proviso to direct the department to require an individual applying or reapplying for SNAP benefits to cooperate with the Division of Child Support Services in order to be eligible to receive SNAP benefits. Prohibit the department from establishing resource limit standards that exceeds the standards unless expressly required by federal law. Prohibit the department from renewing any waiver of the requirements related to mandatory work. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

38.29. (DSS: SNAP Eligibility) With the funds appropriated and authorized to the department in the current fiscal year, the Department of Social Services shall require an individual applying or reapplying for benefits through the Supplemental Nutrition Assistance Program (SNAP) to cooperate with the department's Division of Child Support Services to be eligible to receive SNAP benefits, as provided in 7 C.F.R. Section 273.11 (o), (p), and (q). The department shall provide written notice to an individual at the time of application or reapplication for SNAP benefits informing the individual of the requirements of this section.

When determining the eligibility of a household to participate in the Supplemental Nutrition Assistance Program, in no case shall the Department of Social Services establish resource limit standards that exceed the standards specified in 7 U.S.C. Section 2014(g)(1), unless expressly required by federal law. In no case shall categorical eligibility exempting a household from these resource limits be granted for any noncash, in-kind or other benefit, unless expressly required by federal law.

The Department of Social Services shall not seek, apply for, accept, or renew any waiver of the requirements established pursuant to 7 U.S.C. Section 2015(o), relating to mandatory work requirements of the Supplemental Nutrition Assistance Program.

SECTION 47 - P240 - DEPARTMENT OF NATURAL RESOURCES

47.11 ADD VS DELETE NEW PROVISO (Water Recreation Resources Fund) WMC: ADD new proviso to allow the department to use the Water Recreation Resources Fund gasoline user fees for programs that support water and marine resources in addition to its current authorized uses. Agency states that expanding use of the funds for Marine Resources will help in addressing needs of a growing salt-water recreational activity segment; while expanding use to the Water Resources section will allow for the further enhancement of water monitoring across the state. Fiscal Impact: RFAO states this would have no expenditure or revenue impact on the General Fund, Federal Funds or Other Funds. Requested by Department of Natural Resources.
HOU: ADOPT new proviso.

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47.11. (DNR: Water Recreation Resources Fund) For the current fiscal year, from the portion of the gasoline user fee distributed to the Water Recreation Resources Fund, in addition to the current authorized department uses, the department may extend use to programs supporting water resources and marine resources.

SFC: ADOPT new proviso.

SEN: DELETE new proviso. *Ruled out of order.*

47.11. (DNR: Water Recreation Resources Fund) DELETED

- 47.12 ADD VS DELETE NEW PROVISO** (Saltwater License Revenue) **WMC:** ADD new proviso to allow the department to use the law enforcement portion of certain license fees to support the operations of the Marine Resources Division or for deferred maintenance on division facilities and ocean research vessel maintenance. *Agency states this would allow for deferred maintenance deficiencies to be addressed.* Fiscal Impact: RFAO states this would have no expenditure or revenue impact on the General Fund, Federal Funds or Other Funds. Requested by Department of Natural Resources.

HOU: ADOPT new proviso.

47.12. (DNR: Saltwater License Revenue) For the current fiscal year, from the fees collected by the department for any recreational saltwater, shrimp baiting, charter vessel and saltwater fishing pier license issued for this fiscal year, the department may designate the law enforcement portion to be used in whole or in part to support the operations of the Marine Resources Division operations. The department may also designate a portion of the law enforcement fees for deferred maintenance on Marine Resources Division facilities and ocean research vessel maintenance.

SFC: ADOPT new proviso.

SEN: DELETE new proviso. *Ruled out of order.*

47.12. (DNR: Saltwater License Revenue) DELETED

- 47.13 ADD** (Triploid Grass Carp) **HOU2:** AMEND House version to ADD new proviso to prohibit water rec funds or any other funding source from being used to stock triploid grass carp in Lakes Marion and Moultrie. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

47.13. (DNR: Triploid Grass Carp) For Fiscal Year 2017-18, no water recreation funds or any other funding source may be used to fund the stocking of triploid grass carp on Lake Marion and Lake Moultrie.

SECTION 49 - P280 - DEPARTMENT OF PARKS, RECREATION, AND TOURISM

- 49.16 ADD VS DELETE NEW PROVISO** (Palmetto Pride) **HOU:** ADD new proviso to prohibit funds from being used by Palmetto Pride for any beautification project. Restrict use to recycling, reducing litter and education only. Sponsors: Reps. Erickson and Thayer.

49.16. (PRT: Palmetto Pride) The funds distributed through Section 14-1-208(10) of the 1976 Code to the Governor's Task Force on Litter shall only be utilized by Palmetto Pride for the purpose of recycling, reducing litter, and education and shall not be used for beautification projects of any kind.

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SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

49.16. (PRT: Palmetto Pride) DELETED

- 49.17 ADD VS DELETE NEW PROVISO** (Welcome Center Complex Mowing) **HOU:** ADD new proviso to direct the department to mow the outer edge of the pavement of the adjacent highway, the highway control of access right of way line and all boundaries surrounding state welcome center complexes. Sponsor: Rep. Hixon.

49.17. (PRT: Welcome Center Complex Mowing) Of the funds appropriated for State Welcome Centers, the department is directed to ensure that at every Welcome Center complex, the outer edge of the pavement of the adjacent highway, the highway control of access right of way line, and all boundaries surrounding the complex must be mowed in a manner to ensure that the entirety of the grounds are uniform in appearance.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

49.17. (PRT: Welcome Center Complex Mowing) DELETED

- 49.18 ADD** (Horry County Museum) **SFC:** ADD new proviso to direct that the 3:1 match requirement for the appropriation of \$250,000 in the FY 2015-16 non-recurring proviso for the City of Conway-Renovation of Horry County Museum for Multipurpose Space is changed to a 1:1 match.
SEN: ADOPT new proviso.

49.18. (PRT: Horry County Museum) The 3:1 match requirement associated with the appropriation of \$250,000 non-recurring funds through the Department of Parks, Recreation and Tourism for the City of Conway - Renovation of Horry County Museum for Multipurpose Space (Requires 3:1 Match) in Act 91 of 2015 by proviso 118.14(B)(41)(o) shall be amended to require a 1:1 match.

SECTION 50 - P320 - DEPARTMENT OF COMMERCE

- 50.13 AMEND VS AMEND FURTHER** (Regional Economic Development Organizations) Designates funding for Regional Economic Development Organizations and provides a mechanism by which the funds should be distributed.
WMC: AMEND proviso to update fiscal year reference to 2017-18.
HOU: ADOPT proviso as amended.

50.13. (CMRC: Regional Economic Development Organizations) The Department of Commerce shall utilize \$5,000,000 appropriated in Fiscal Year ~~2016-17~~ 2017-18 for Regional Economic Development Organizations to provide funds to the following economic development organizations and must be disbursed as follows:

- | | |
|--|-------------|
| (1) Upstate Alliance | \$ 750,000; |
| (2) Central SC Economic Development Alliance | \$ 750,000; |
| (3) North Eastern Strategic Alliance (NESA) | \$ 745,000; |
| (4) Charleston Regional Development Alliance | \$ 660,000; |
| (5) I-77 Alliance | \$ 660,000; |
| (6) Economic Development Partnership | \$ 450,000; |

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- (7) Southern Carolina Alliance \$ 460,000; and
- (8) The LINK Economic Alliance \$ 385,000.

Each dollar of state funds must be matched with one dollar of private funds. The organization receiving state funds must certify that the private funds are new dollars specifically designated for the purpose of matching state funds and have not been previously allocated or designated for economic development. No funds appropriated in this proviso may be used for routine operating costs of the organization as defined by the Department of Commerce.

The remaining \$140,000 shall be provided to Beaufort County, provided it meets the requirements established above.

Upon receipt of the request for the funds and certification of the matching funds, the Department of Commerce shall disburse the funds to the requesting organization.

Funds recipients shall provide an annual report by November first, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the Secretary of Commerce on the expenditure of the funds and on the outcome measures.

Any unexpended, unallocated, or undistributed funds appropriated in prior fiscal years for Regional Economic Development Organizations shall first be made available to Regional Economic Development Organizations and any remainder shall be transferred to the Rural Infrastructure Fund at the Department of Commerce. If more than one alliance applies for the same funds, the funds will be distributed pro-rata.

SFC: AMEND FURTHER to change item (5) I-77 Alliance from “\$660,000” to “\$600,000” and direct that \$60,000 of the remaining funds be provided to Lancaster County.

SEN: ADOPT proviso as amended further.

50.13. (CMRC: Regional Economic Development Organizations) The Department of Commerce shall utilize \$5,000,000 appropriated in Fiscal Year ~~2016-17~~ 2017-18 for Regional Economic Development Organizations to provide funds to the following economic development organizations and must be disbursed as follows:

- (1) Upstate Alliance \$ 750,000;
- (2) Central SC Economic Development Alliance \$ 750,000;
- (3) North Eastern Strategic Alliance (NESA) \$ 745,000;
- (4) Charleston Regional Development Alliance \$ 660,000;
- (5) I-77 Alliance \$ ~~660,000~~ 600,000;
- (6) Economic Development Partnership \$ 450,000;
- (7) Southern Carolina Alliance \$ 460,000; and
- (8) The LINK Economic Alliance \$ 385,000.

Each dollar of state funds must be matched with one dollar of private funds. The organization receiving state funds must certify that the private funds are new dollars specifically designated for the purpose of matching state funds and have not been previously allocated or designated for economic development. No funds appropriated in this proviso may be used for routine operating costs of the organization as defined by the Department of Commerce.

The remaining ~~\$140,000~~ \$200,000 shall be provided to ~~Beaufort County~~ counties as follows, provided ~~it meets~~ they meet the requirements established above:

- (1) Beaufort County \$ 140,000; and
- (2) Lancaster County \$ 60,000.

Upon receipt of the request for the funds and certification of the matching funds, the Department of Commerce shall disburse the funds to the requesting organization.

Funds recipients shall provide an annual report by November first, to the Chairmen of the Senate Finance Committee and the House Ways and Means Committee and the Secretary of Commerce on the expenditure of the funds and on the outcome measures.

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Any unexpended, unallocated, or undistributed funds appropriated in prior fiscal years for Regional Economic Development Organizations shall first be made available to Regional Economic Development Organizations and any remainder shall be transferred to the Rural Infrastructure Fund at the Department of Commerce. If more than one alliance applies for the same funds, the funds will be distributed pro-rata.

SECTION 53 - P40-S.C. CONSERVATION BANK

53.1 AMEND VS RESTORE ORIGINAL PROVISO (Conservation Bank Trust Fund) Requires the South Carolina Conservation Bank to receive all revenues designated for it under Sections 12-24-95 [STATE DEED RECORDING FEE CREDITED TO SOUTH CAROLINA CONSERVATION BANK TRUST FUND] and 12-24-97 [STARTING DATE FOR TRANSFERS ON WHICH FEE BASED].

WMC: AMEND proviso to suspend revenues to the Conservation Bank pursuant to Section 12-24-95 of the 1976 Code.

HOU: ADOPT proviso as amended.

53.1. (CB: Conservation Bank Trust Fund) ~~All revenues designated for the South Carolina Conservation Bank pursuant to Sections 12-24-95 and 12-24-97 of the 1976 Code must be credited to the South Carolina Conservation Bank Trust Fund.~~ For Fiscal Year 2017-18, the provisions of Section 12-24-95 of the 1976 Code are suspended.

SFC: RESTORE original proviso.

SEN: ADOPT original proviso.

53.1. (CB: Conservation Bank Trust Fund) All revenues designated for the South Carolina Conservation Bank pursuant to Sections 12-24-95 and 12-24-97 of the 1976 Code must be credited to the South Carolina Conservation Bank Trust Fund.

SECTION 63 - K050 - DEPARTMENT OF PUBLIC SAFETY

63.9 ADD VS AMEND NEW PROVISO (Overtime Pay) **WMC:** ADD new proviso to require the department to pay current law enforcement officers, by October 1, for any comp time earned and not used in the prior fiscal year. Direct the department to use personal services and/or employer contributions carried forward funds for this purpose.

HOU: ADOPT new proviso.

63.9. (DPS: Overtime Pay) The department is authorized and required to pay current law enforcement officers, by October 1st of the current fiscal year, for any compensatory time earned and not used in the prior fiscal year. The funds for this compensation must be provided from available personal services and/or employer contributions funds carried forward from the prior fiscal year.

SFC: AMEND new proviso to specify that for FY 2017-18, comp time is to be paid only to “non-exempt” law enforcement officers. Direct that if the department does not have enough carry forward funds to pay all accrued comp time, they shall pay officers on a percentage distribution based on the hours owed per officer up to the total amount of funds carried forward.

SEN: ADOPT new proviso as amended.

63.9. (DPS: Overtime Pay) For Fiscal Year 2017-18, the department is authorized and required to pay current non-exempt law enforcement officers by October 1st for any compensatory time earned and not used in the prior fiscal year. The funds for this compensation

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must be provided from available personal services and/or employer contributions funds carried forward from the prior fiscal year. If the amount of carried forward funds is not sufficient to pay all the non-exempt law enforcement officers accrued compensatory time, the agency shall pay the officers on a percentage distribution based on the hours owed per officer up to the total amount that the agency has carried forward.

SECTION 78 - R200 - DEPARTMENT OF INSURANCE

78.4 **ADD** (CDL Study Committee) **SEN:** ADD new proviso to create a CDL Driver Insurance Study Committee to review the State's motor vehicle liability and insurance-related statutes, court decisions and administration, and the State's insurance marketplace. Direct that findings and recommendations be made to create a viable pool of qualified, insurable CDL truck drivers. Provide for the composition of the study committee. Sponsors: Sens. Grooms and Alexander.

78.4. (INS: CDL Study Committee) (A) In the current fiscal year, there is created the CDL Driver Insurance Study Committee to review the State's motor vehicle liability and insurance-related statutes, court decisions and administration, and the State's insurance marketplace in order to report findings and make recommendations which will foster conditions for the creation of a viable pool of qualified, insurable CDL truck drivers. From the funds appropriated, the Department of Insurance shall cover the costs of the committee and provide staffing for the committee.

(B) The committee shall be composed of:

(1) from the House, two members appointed by the Chairman of the Labor, Commerce and Industry Committee and one member appointed by the Chairman of the Education & Public Works Committee.

(2) from the Senate, one member appointed by the Chairman of the Labor, Commerce and Industry Committee, one member appointed by the Chairman of Banking and Insurance, and one member appointed by the Chairman of the Transportation Committee.

(3) one member designated by the following trade associations: Carolinas Associated General Contractors, Forestry Association of South Carolina, South Carolina Trucking Association, and the South Carolina Beverage Association.

(4) one member designated by the South Carolina Association for Justice and one member designated by the South Carolina Defense Trial Lawyers Association.

(5) one member designated by the Independent Insurance Agents & Brokers Association and one member designated by the Property Casualty Insurers Association of America.

SECTION 81 - R360 - DEPARTMENT OF LABOR, LICENSING AND REGULATION

81.13 **ADD** (Amusement Park Rides) **SFC:** ADD new proviso to direct that LLR may not enforce provisions contained in Title 41, Chapter 18 [SC AMUSEMENT RIDES SAFETY CODE] against open-wheel motorsport vehicles, karts, superkarts, gearbox or shifter karts, or go karts used for racing at speeds in excess of 50 mph.
SEN: ADOPT new proviso.

81.13. (LLR: Amusement Park Rides) For the current fiscal year, the Department of Labor, Licensing, and Regulation may not enforce provisions contained in Chapter 18, Title 41 of the 1976 Code, relating to amusement park rides, against open-wheel motorsport vehicles, karts, superkarts, gearbox or shifter karts, or go karts used for racing at speeds in excess of fifty miles per hour.

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SECTION 82 - R400 - DEPARTMENT OF MOTOR VEHICLES

- 82.12** **ADD** (Car Dealer License Plates) **SFC:** ADD new proviso to authorize DMV to issue two plates to a dealer for the first 10 vehicles sold during the preceding year.
SEN: DELETE new proviso. *Ruled out of order.*

82.12. (DMV: Car Dealer License Plates) DELETED

- 82.13** **ADD** (Real ID) **SEN:** ADD new proviso to authorize DMV to spend any available earmarked cash reserves to implement Real ID, except for the \$1,000,000 designated for the Phoenix III pilot. Sponsor: Sen. J. Matthews.

82.13. (DMV: Real ID) For Fiscal Year 2017-18, the Department of Motor Vehicles may expend any available earmarked cash reserves, with the exception of the \$1,000,000 designated for the Phoenix III pilot, on the implementation of Real ID.

SECTION 83 - R600 - DEPARTMENT OF EMPLOYMENT AND WORKFORCE

- 83.6** **AMEND VS AMEND FURTHER** (Employment Training Outcomes Data Sharing) Directs DEW to require training and employment data integration; establish a Governance Policy; and develop a model data-sharing agreements with various agencies and entities.
WMC: AMEND proviso, item (A) to delete reference to “partner collaboration and sharing responsibilities” and change “2016” to “2017.” Amend item (B) to change “July 22, 2016 to July 1, 2017;” delete the requirement that DEW “develop a model” and instead “enter into a” data sharing agreement; require ETPs submit “personally identifiable information” data “for the purpose of assessing program effectiveness.” Delete language referencing the North American Industry Classification (NAIC) System and the Standard Occupation Classification (SOC) System. Delete items (C) (D) and (E) which reference deleting model data sharing agreements with specific entities. *DEW proposes deleting language referencing NAICS and SOC until a system for acquiring occupational data such as SOC is developed. Items C through E are deleted because the directives are duplicative due to the passage of Act 252 of 2016.* Requested by Department of Employment and Workforce.
HOU: ADOPT proviso as amended.

83.6. (DEW: Employment Training Outcomes Data Sharing) The Department of Employment and Workforce, 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, the department shall establish a Governance Policy for the management, development, and security; ~~partner collaboration, and sharing responsibilities~~ no later than July 1, ~~2016~~ 2017.

(B) No later than July ~~22, 2016~~ 1, 2017, the department must ~~develop a model~~ enter into a data-sharing agreement with eligible training providers (ETPs). As specified by the WIOA Act, this agreement will require ETPs to submit personally identifiable information (PII) 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 for the purpose of assessing program effectiveness. ~~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~~

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~~Classification (SOC) System and other information necessary for the department 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, 2017, the department must develop a model data sharing agreement with the Department of Education, the Center for Educator Recruitment, Retention and Advancement, and the Education Oversight Committee, the Vocational Rehabilitation Department, and the Commission on Higher Education to capture and match data as enumerated in item (B) of this provision. 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) The department and the South Carolina Student Loan Corporation shall, by January 1, 2017, 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, 2017, the department must develop a model data sharing agreement with the Department of Social Services to capture data related to New Hire status and social service data and with the Department of Labor, Licensing and Regulation to capture licensing and licensing related 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.~~

SFC: RESTORE original proviso and AMEND Item (A) to change July 1, “2016” to “2017.” Amend item (B) to change “July 22, 2016” to “July 1, 2017.” Amend items (C) and (D) to change “January 1, 2017” to “July 1, 2017.” Amend item (E) to change “June 30, 2017” to “July 1, 2017.” Direct DEW to submit copies of the data sharing agreements to the Chairmen of the Senate Finance, House Ways and Means, Senate LCI, and House LCI Committees.

SEN: ADOPT proviso as amended further.

83.6. (DEW: Employment Training Outcomes Data Sharing) The Department of Employment and Workforce, 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, the department shall establish a Governance Policy for the management, development, security, partner collaboration, and sharing responsibilities no later than July 1, ~~2016~~ 2017.

(B) No later than July ~~22, 2016~~ 1, 2017, the department 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 the department to accurately and completely assess the effectiveness and return on investment of all training programs offered by the entity.

(C) No later than ~~January~~ July 1, 2017, the department must develop a model data-sharing agreement with the Department of Education, the Center for Educator Recruitment, Retention and Advancement, and the Education Oversight Committee, the Vocational Rehabilitation

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Department, and the Commission on Higher Education to capture and match data as enumerated in item (B) of this provision. 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) The department and the South Carolina Student Loan Corporation shall, by ~~January~~ July 1, 2017, 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~~ July 1, 2017, the department must develop a model data-sharing agreement with the Department of Social Services to capture data related to New Hire status and social service data and with the Department of Labor, Licensing and Regulation to capture licensing and licensing-related 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.

The Department of Employment and Workforce shall submit copies of the data sharing agreements to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee, the Chairman of the Senate Labor, Commerce and Industry Committee, and the Chairman of the House Labor, Commerce and Industry Committee.

SECTION 84 - U120 - DEPARTMENT OF TRANSPORTATION

84.12 DELETE VS REINSERT (CTC Project Expansion) Limits CTC to utilize no more than 20% of funds for ancillary initiatives that improve economic development or safety in areas adjacent to roads under its jurisdiction and defines ancillary initiatives for this purpose. Directs that if the CTC spends funds for this purpose, it must document the related anticipated results on economic development or safety.

WMC: DELETE proviso. *Agency states funds were distributed to CTCs in Fiscal Year 2015-16 in accordance with H.4230 of 2015 and therefore proviso is unnecessary.* Requested by Department of Transportation.

HOU: ADOPT deletion of proviso.

~~**84.12.** (DOT: CTC Project Expansion) Of the funds distributed to County Transportation Committees (CTC), no more than twenty percent may be utilized for ancillary initiatives that improve the areas adjacent to roads under their jurisdiction for economic development or safety purposes. Ancillary initiatives may include, but are not limited to, drainage improvements, signage, lighting, sidewalks and other safety or economic development related projects. If a CTC expends funds pursuant to this provision, the CTC must document the anticipated results on economic development or safety relative to the project.~~

SFC: REINSERT original proviso.

SFC: ADOPT original proviso.

84.12. (DOT: CTC Project Expansion) Of the funds distributed to County Transportation Committees (CTC), no more than twenty percent may be utilized for ancillary initiatives that improve the areas adjacent to roads under their jurisdiction for economic development or safety purposes. Ancillary initiatives may include, but are not limited to, drainage improvements, signage, lighting, sidewalks and other safety or economic-development related projects. If a CTC expends funds pursuant to this provision, the CTC must document the anticipated results on economic development or safety relative to the project.

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- 84.15 ADD VS DELETE NEW PROVISO** (Local Road Transfer) **HOU:** ADD new proviso to authorize the department to remove a road from the state highway system and for a county or municipal governing authority to assume maintenance of the road upon receipt of a proper resolution submitted by a county or municipal governing authority. Authorize the department to provide a thing of value as a condition of transfer such as credits towards future construction projects, payment from CTC funds, or debt satisfaction and require the condition be agreed to in writing by all parties. Sponsor: Rep. Simrill.

84.15. (DOT: Local Road Transfer) The Department of Transportation, upon receipt of a proper resolution submitted by a county or municipal governing authority to the Secretary of Transportation indicating its conditions, willingness, and desire to incorporate into the county or municipal road system a road on the state highway system and to assume the maintenance thereof, may at its discretion accept the resolution and remove the road from the state highway system, and it shall thereafter form a part of the county or municipal road system.

As a condition of such transfer, the department may provide a thing of value, including but not limited to credits towards future construction projects, payment of funds from the state's share of the County Transportation Committee funds, or satisfaction of debt owed to the department. Such thing of value may be equal to the amount of the present value of the forty-year projected future maintenance cost of the road to be transferred and may be funded by the state's share of the County Transportation Committee funds. Any such condition of transfer shall be agreed to in writing by all parties.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

84.15. (DOT: Local Road Transfer) DELETED

SECTION 85 - U150 - INFRASTRUCTURE BANK BOARD

- 85.1 ADD VS AMEND NEW PROVISO** (Board Meeting Coverage) **WMC:** ADD new proviso to direct the Transportation Infrastructure Bank Board to provide live-streamed coverage of all Board meetings.
HOU: ADOPT new proviso.

85.1. (IBB: Board Meeting Coverage) Of the funds authorized for the State Transportation Infrastructure Bank Board, the Bank must provide live-streamed coverage of all Board meetings to ensure transparency and access for the public.

SFC: ADOPT new proviso.

SEN: AMEND new proviso to direct the board meetings to also be recorded, archived and made available on the SC Transportation Infrastructure Bank's website. Sponsor: Sen. Massey.

85.1. (IBB: Board Meeting Coverage) Of the funds authorized for the State Transportation Infrastructure Bank Board, the Bank must provide live-streamed coverage of all Board meetings to ensure transparency and access for the public. The board meetings shall be recorded and archived and made available on the South Carolina Transportation Infrastructure Bank's website.

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SECTION 88 - Y140 - STATE PORTS AUTHORITY

- 88.5 DELETE VS REINSERT / AMEND** (Jasper Ocean Terminal Permitting) Designates \$1,000,000 of the funds allocated for the Jasper Ocean Terminal Permitting for a contract for the permitting process that the Corps of Engineers were previously scheduled to handle. Prohibits the Ports Authority from spending these funds until a contract is executed. Requires funds not committed by the contract to be returned to the General Fund at the end of FY 2017-18.
WMC: DELETE proviso. Requested by State Ports Authority.
HOU: ADOPT deletion of proviso.

~~**88.5.** (SPA: Jasper Ocean Terminal Permitting) Of the funds allocated to the Ports Authority for the Jasper Ocean Terminal Permitting, \$1,000,000 is designated for a contract for the permitting process that was previously scheduled to be handled by the Corps of Engineers. This funding may not be expended by the Ports Authority until a contract is executed. Additionally, any funds not committed by this contract must be returned to the General Fund at the end of Fiscal Year 2016-17.~~

SFC: REINSERT / AMEND proviso to specify that the referenced funds are those allocated in FY 2016-17 and update fiscal year reference to 2017-18.

SEN: ADOPT proviso as amended.

88.5. (SPA: Jasper Ocean Terminal Permitting) Of the funds allocated to the Ports Authority *in Fiscal Year 2016-17* for the Jasper Ocean Terminal Permitting, \$1,000,000 is designated for a contract for the permitting process that was previously scheduled to be handled by the Corps of Engineers. This funding may not be expended by the Ports Authority until a contract is executed. Additionally, any funds not committed by this contract must be returned to the General Fund at the end of Fiscal Year ~~2016-17~~ *2017-18*.

SECTION 91 - A990 - LEGISLATIVE DEPARTMENT

- 91.27 ADD** (Act 388 Study Committee) **SEN:** ADD new proviso to create the Act 388 Study Committee to review and study the effects of Act 388 on various classes of property and the impact on school district funding and on property taxpayers. Direct that committee membership will be made up of various members of the Senate and House. Findings and recommendations are to be submitted to the General Assembly by June 30, 2018. Sponsors: Sens. Fanning and Climer.

91.27. (LEG: Act 388 Study Committee) Of the funds appropriated to the General Assembly, a study committee shall be established to review and study the effects of Act 388 of 2006 on the various classes of property and the impact on school district funding and on property tax payers.

Membership of the committee shall be comprised of the members as follows:

(1) one member of the Senate appointed by the President Pro Tempore of the Senate;

(2) one member of the Senate appointed by the Chairman of the Senate Finance Committee;

(3) one member of the Senate appointed by the Chairman of the Senate Judiciary Committee;

(4) one member of the Senate appointed by the Senate Majority Leader;

(5) one member of the Senate appointed by the Senate Minority Leader;

(6) one member of the House of Representatives appointed by the Speaker of the House;

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(7) one member of the House of Representatives appointed by the Chairman of the House Ways and Means Committee;

(8) one member of the House of Representatives appointed by the Chairman of the House Judiciary Committee;

(9) one member of the House of Representatives appointed by the House Majority Leader; and

(10) one member of the House of Representatives appointed by the House Minority Leader.

The study committee shall provide a report with findings and recommendations to the General Assembly by June 30, 2018, at which time the study committee shall be dissolved.

SECTION 99 - E190 - RETIREMENT SYSTEM INVESTMENT COMMISSION

- 99.1 DELETE VS AMEND** (Retirement Investment Commission Audit) Suspends, for FY 2016-17, the requirement that the Inspector General employ a private audit firm to perform the fiduciary audit on the Retirement System Investment Commission and directs any savings from not conducting the audit be used to conduct the required PEBA audit.
WMC: AMEND proviso to update fiscal year reference to "2017-18."
HOU: ADOPT proviso as amended.
HOU2: AMEND House version to DELETE proviso. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

~~99.1. (RSIC: Retirement Investment Commission Audit) For Fiscal Year 2016-17, the provisions of Section 9-16-380 requiring the Inspector General to employ a private audit firm to perform the fiduciary audit on the Retirement System Investment Commission as required by Section 9-16-380 of the 1976 Code shall be suspended. Any savings generated by not conducting the audit shall be used to conduct audits required by Section 9-4-40 of the 1976 Code.~~

SFC: ADOPT proviso as amended.

SEN: ADOPT proviso as amended.

99.1. (RSIC: Retirement Investment Commission Audit) For Fiscal Year ~~2016-17~~ 2017-18, the provisions of Section 9-16-380 requiring the Inspector General to employ a private audit firm to perform the fiduciary audit on the Retirement System Investment Commission as required by Section 9-16-380 of the 1976 Code shall be suspended. Any savings generated by not conducting the audit shall be used to conduct audits required by Section 9-4-40 of the 1976 Code.

- 99.4 ADD VS DELETE NEW PROVISO** (Commissioner Salaries) **HOU:** ADD new proviso to direct that Retirement System Investment Commissioner's annual salary shall be \$1 if they have served for more than 2 years. Sponsors: Reps. Taylor and Bradley.

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99.4. (RSIC: Commissioner Salaries) For Fiscal Year 2017-18, any Retirement System Investment Commissioner who has served as a commissioner for longer than two years shall receive an annual salary of one dollar.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

99.4. (RSIC: Commissioner Salaries) DELETED

SECTION 101 - E280 - ELECTION COMMISSION

101.1 AMEND VS AMEND FURTHER (County Boards of Voter Registration and Elections Compensation) Authorizes compensation for each County Boards of Voter Registration Elections Commissioners at the rate of \$1,500 annually and limits each county to \$12,500 per year. Exempts funds appropriated for this purpose from budget reductions.

WMC: AMEND proviso to change “Commissioners” to “board members.” *All county boards of voter registration and election commissions were combined per Act 196 of 2014 and there are no longer any separate county election commissioners.* Requested by Election Commission.

HOU: ADOPT proviso as amended.

101.1. (ELECT: County Boards of Voter Registration and Elections Compensation) The amounts appropriated in this section for “County Boards of Voter Registration and Elections ~~Commissioners~~ Board Members,” shall be disbursed annually to the County Treasurer at the rate of \$1,500 for each member, not to exceed \$12,500 per county. The County Treasurer shall use these funds only for the compensation of County Boards of Voter Registration and Elections ~~Commissioners~~ Board Members. Any funds not used for this purpose shall be returned to the State Treasurer. These funds are exempted from mandated budget reductions. In addition, in the calculation of any across the board agency base reductions mandated by the Executive Budget Office or the General Assembly, the amount of funds appropriated for compensation of County Boards of Voter Registration and Elections ~~Commissioners~~ Board Members shall be excluded from the agency’s base budget.

SFC: AMEND FURTHER to change “\$12,500” to “\$13,500” and direct that unexpended funds be carried forward and used for special primaries, runoffs, and elections.

SEN: ADOPT proviso as amended further.

101.1. (ELECT: County Boards of Voter Registration and Elections Compensation) The amounts appropriated in this section for “County Boards of Voter Registration and Elections ~~Commissioners~~ Board Members,” shall be disbursed annually to the County Treasurer at the rate of \$1,500 for each member, not to exceed ~~\$12,500~~ \$13,500 per county. The County Treasurer shall use these funds only for the compensation of County Boards of Voter Registration and Elections ~~Commissioners~~ Board Members. Any funds not used for this purpose shall be returned to the State Treasurer. These funds are exempted from mandated budget reductions. In addition, in the calculation of any across the board agency base reductions mandated by the Executive Budget Office or the General Assembly, the amount of funds appropriated for compensation of County Boards of Voter Registration and Elections ~~Commissioners~~ Board Members shall be excluded from the agency’s base budget. Unexpended funds shall be carried forward from the prior fiscal year and shall be utilized for special primaries, runoffs, and elections.

101.2 AMEND (Elections Managers & Clerks Per Diem) Authorizes per diem of \$60 per day for poll managers and clerks, not to exceed two days per election for managers and three days per election

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for clerks. For statewide elections, allows the commission to adjust per diem to the extent funds are available. Allows for up to three additional managers to be appointed to assist county registration boards in the absentee/fail safe process at a rate of \$60 per day for no more than a total of fifteen days.

SEN: AMEND proviso to increase per diem from \$60 to \$75 for the day of work. Direct a \$60 per diem for training and paperwork. Sponsors: Sens. Cromer and Alexander.

101.2. (ELECT: Elections Managers & Clerks Per Diem) Managers and clerks of state and county elections shall receive a per diem of ~~\$60.00~~; ~~but managers~~ \$75.00 for the day of work and \$60.00 for training and paperwork. Managers shall not be paid for more than two days for any election and clerks for not more than three days for any election. The commission may adjust the per diem of ~~\$60.00~~ \$75.00 for the managers and clerks of the statewide election to a higher level only to the extent that the appropriation for the statewide election is sufficient to bear the added cost of increasing the per diem and the cost of the statewide election. Up to three additional managers per county may be appointed to assist county boards of voter registration and elections with the absentee/fail safe voting process prior to, on Election Day, and immediately following statewide elections. Managers assisting the county boards of voter registration and elections in the absentee/fail safe process may receive a per diem of ~~\$60.00~~ \$75.00 per day for not more than a total of fifteen days regardless of whether one, two, or three additional managers are used.

101.11 AMEND VS AMEND FURTHER (HAVA Match Funds) Directs that funds appropriated from the General Fund for matching federal Help America Vote Act funds must be placed in a restricted account so that interest accrues to that account.

WMC: DELETE proviso.

HOU: ADOPT deletion of proviso.

HOU2: AMEND House version to REINSERT proviso and AMEND to direct unexpended funds be carried forward and used for special primaries, runoffs and elections. Allow funds to also be used to reimburse local government entities for expenses incurred in the prior fiscal year associated with special primaries, runoffs and elections. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

101.11. (ELECT: HAVA Match Funds) Funds appropriated through the General Fund for the purpose of providing a match for federal funds received through the Help America Vote Act (HAVA) shall be moved to a restricted account in order that the funds may accrue interest as per Section 254 (b) (1) of the Help America Vote Act. Unexpended funds shall be carried forward from the prior fiscal year and shall be utilized for special primaries, runoffs, and elections. These funds may also be used to reimburse local governmental entities for expenses incurred in the prior fiscal year associated with special primaries, runoffs, and general elections.

SFC: REINSERT proviso and AMEND to direct that unexpended funds be carried forward and used for special primaries, runoffs, and elections.

SEN: ADOPT proviso as amended.

101.11. (ELECT: HAVA Match Funds) Funds appropriated through the General Fund for the purpose of providing a match for federal funds received through the Help America Vote Act (HAVA) shall be moved to a restricted account in order that the funds may accrue interest as per Section 254 (b) (1) of the Help America Vote Act. Unexpended funds shall be carried forward from the prior fiscal year and shall be utilized for special primaries, runoffs, and elections.

101.13 ADD (Legal Fees) **SEN:** ADD new proviso to direct that \$100,000 of Aid to Subdivision funds will be withheld from any county whose County Boards of Voter Registration and Elections has

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not paid for legal fees associated with conducting an election until payment has been made.
Sponsors: Senators Scott and Jackson.

101.13. (ELEC: Legal Fees) For Fiscal Year 2017-18, any county whose County Boards of Voter Registration and Elections has, as of July 1, 2017, not paid for fees related to the provision of legal services associated with the conduct of any election in prior fiscal years shall have \$100,000 of their Aid to Subdivisions allocation withheld until such time as payment for such legal services has been rendered.

SECTION 102 - E500 - REVENUE AND FISCAL AFFAIRS OFFICE

102.8 ADD VS AMEND NEW PROVISO (NG9-1-1 Strategic Plan) **WMC:** ADD new proviso to authorize RFA to use wireless 9-1-1 fund compliance cost monies to further plan, develop and implement the comprehensive statewide NG9-1-1 system as outlined in the strategic plan; and define associated costs. Requested by Revenue and Fiscal Affairs Office.
HOU: ADOPT new proviso.

102.8. (RFAO: NG9-1-1 Strategic Plan) The Revenue and Fiscal Affairs Office shall be authorized to use funds from the 58.2 percent compliance cost portion of the wireless 9-1-1 fund for costs associated with the further planning, development, and implementation of the comprehensive statewide NG9-1-1 system as outlined in the South Carolina NG9-1-1 strategic plan. Associated costs include, but are not limited to, the hiring of consultants, technical experts, or other professionals for assistance in defining, developing, or implementing the operating model and standards, system or technical requirements, or other elements of the system as outlined in the strategic plan.

SFC: AMEND new proviso to allow RFAO to use up to \$150,000 of the funds.
SEN: ADOPT new proviso as amended.

102.8. (RFAO: NG9-1-1 Strategic Plan) The Revenue and Fiscal Affairs Office shall be authorized to use up to \$150,000 of the funds from the 58.2 percent compliance cost portion of the wireless 9-1-1 fund for costs associated with the further planning, development, and implementation of the comprehensive statewide NG9-1-1 system as outlined in the South Carolina NG9-1-1 strategic plan. Associated costs include, but are not limited to, the hiring of consultants, technical experts, or other professionals for assistance in defining, developing, or implementing the operating model and standards, system or technical requirements, or other elements of the system as outlined in the strategic plan.

SECTION 104 - E550 - STATE FISCAL ACCOUNTABILITY AUTHORITY

104.9 AMEND (Attorneys) Directs that during the transition of the IRF from the B&C Board to SFAA, the IRF shall continue to approve the attorneys retained to defend the entities the IRF insures.
SFC: AMEND proviso to devolve the authority of the former B&C Board under Section 1-7-170(A) to SFAA.
SEN: ADOPT proviso as amended.

104.9. (SFAA: Attorneys) For the current fiscal year, during the transition of the Insurance Reserve Fund from the Budget and Control Board to the State Fiscal Accountability Authority, the Insurance Reserve Fund shall continue to approve the attorneys-at-law retained to defend

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those it insures. In addition, the authority of the former Budget and Control Board under Section 1-7-170(A) is devolved upon the State Fiscal Accountability Authority.

- 104.11** **ADD** (Continuation of Authority) **SFC:** ADD new proviso to authorize the respective divisions of SFAA to provide and receive goods and services to promote efficient and economical operations. Allow the divisions to charge and pay entities for the goods and services; to deposit the revenue into a special account to be spent for the costs of providing the goods and services; and to retain and spend the funds for the same purposes.
SEN: ADOPT new proviso.

104.11. (SFAA: Continuation of Authority) The respective divisions of the State Fiscal Accountability Authority are authorized to provide to and receive from other governmental entities, including other divisions and state and local agencies and departments, goods and services, as will in its opinion promote efficient and economical operations. The divisions may charge and pay the entities for the goods and services, the revenue from which shall be deposited in the state treasury in a special account and expended only for the costs of providing the goods and services, and such funds may be retained and expended for the same purposes.

SECTION 106 - F300 - STATEWIDE EMPLOYEE BENEFITS

- 106.1** **AMEND** (SCRS & PORS ~~Rate Increase~~ Allocation and Annual Distribution) Directs that the funds appropriated for SCRS & PORS Employer Contributions be allocated by EBO to state agencies and school districts for SCRS & PORS rate increases.
SFC: AMEND proviso to direct EBO, in consultation with RFA, to distribute to state agencies and school districts a base allocation equal to 2% of employer contribution rates for general funded employees and an annual distribution equal to 1% of employer contribution rates for other funded employees participating in SCRS or PORS. Allow EBO the flexibility to make adjustments to amounts distributed as necessary. Direct unused funds to be carried forward.
SEN: ADOPT proviso as amended.

106.1. (SEB: SCRS & PORS ~~Rate Increase~~ Allocation and Annual Distribution) The funds appropriated ~~in the current fiscal year for SCRS Employer Contributions and PORS Employer Contributions under F300, Section 106, Statewide Employee Benefits, for Retirement Contribution Increase (SCRS and PORS) - 2.0% - General Fund State and School District Employees,~~ shall be ~~allocated~~ distributed to state agencies and school districts by the Department of Administration, Executive Budget Office, in consultation with the Revenue and Fiscal Affairs Office, for SCRS and PORS rate increases as a base allocation equal to 2% of employer contribution rates for general funded employees participating in SCRS or PORS.

The funds appropriated under F300, Section 106, Statewide Employee Benefits, for Retirement Contribution Increase (SCRS and PORS) - 1.0% - Other Funded State and School District Employees, shall be distributed to state agencies and school districts by the Executive Budget Office, in consultation with the Revenue and Fiscal Affairs Office, as an annual distribution not to exceed \$42,136,883. Each qualifying recipient entity shall receive its pro rata share of the annual distribution.

The Executive Budget Office shall have the flexibility to make adjustments to amounts distributed as necessary. Any unused funds after all distributions have been made shall be carried forward.

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SECTION 108 - F500 - PUBLIC EMPLOYEE BENEFIT AUTHORITY

- 108.1 DELETE VS REINSERT ORIGINAL** (Lottery, Infrastructure Bank, and Magistrates Health Insurance) Allows Lottery Commissioners, Transportation Infrastructure Bank Board members, magistrates, if the magistrate's county participates in the plan, and eligible dependents, to participate in the State Health and Dental Plan upon payment of full premium costs.
WMC: DELETE proviso.
HOU: ADOPT deletion of proviso.

~~**108.1.** (PEBA: Lottery, Infrastructure Bank, and Magistrates Health Insurance) South Carolina Lottery Commissioners and South Carolina Transportation Infrastructure Bank Board members and their eligible dependents are eligible to participate in the State Health and Dental Insurance Plan, upon paying the full premium costs as determined by the Public Employee Benefit Authority. If a county is participating in the State Health and Dental Insurance Plan, magistrates and their eligible dependents are eligible to participate in the State Health and Dental Insurance Plan, upon the magistrate paying the full premium costs as determined by the Public Employee Benefit Authority.~~

SFC: REINSERT proviso.
SEN: ADOPT original proviso.

108.1. (PEBA: Lottery, Infrastructure Bank, and Magistrates Health Insurance) South Carolina Lottery Commissioners and South Carolina Transportation Infrastructure Bank Board members and their eligible dependents are eligible to participate in the State Health and Dental Insurance Plan, upon paying the full premium costs as determined by the Public Employee Benefit Authority. If a county is participating in the State Health and Dental Insurance Plan, magistrates and their eligible dependents are eligible to participate in the State Health and Dental Insurance Plan, upon the magistrate paying the full premium costs as determined by the Public Employee Benefit Authority.

- 108.12 ADD** (Contraceptives for Dependents) **SFC:** ADD new proviso to require the State Health Plan of Benefits in 2018 to cover prescribed contraceptives for dependents under the same terms and conditions as employees and spouses. Direct that this proviso does not alter the current approved list of contraceptives and complies with proviso 108.4 (Funding Abortions Prohibited).
SEN: ADOPT new proviso.

***108.12.** (PEBA: Contraceptives for Dependents) In its Plan of Benefits effective January 1, 2018, the State Health Plan shall cover prescribed contraceptives for dependents under the same terms and conditions that the Plan provides contraceptive coverage for employees and spouses. This provision does not alter the current approved list of contraceptives and complies with the requirements of proviso 108.4.*

- 108.13 ADD** (Well Adult Checkups Report) **SEN:** ADD new proviso to direct PEBA to prepare a report on issues regarding the inclusion of well adult checkups in the State Health Plan; direct that the report address costs, benefits and potential cost savings; and direct that the report to be submitted to the House Ways and Means and Senate Finance Committees by December 1, 2017. Sponsor: Sen. Alexander.

***108.13.** (PEBA: Well Adult Checkups Report) PEBA is directed to prepare a report relating to issues regarding inclusion of well adult checkups in the State Health Plan. This report shall utilize best evidence available to address costs, benefits, and potential cost savings associated*

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with these checkups, appropriate services to include as part of the checkups, appropriate age intervals at which to offer the checkups, an incentive structure to promote usage of the checkups, and any other matters important to consideration of inclusion of well adult checkups in the State Health Plan. This report shall be submitted to the House Ways & Means and Senate Finance Committees by December 1, 2017.

- 108.14** **ADD** (Shared-Savings Incentive Program Study Committee) **SEN:** ADD new proviso to create a Shared-Savings Incentive Program Study Committee to identify the requirements, costs and benefits of implementing a shared-savings incentive program for state-employed, public sector, or retired enrollees who choose to shop and receive health care services at a lower cost than the average price paid by their carrier for a comparable health care service. Provide for the composition of the committee. Direct the committee to provide findings and recommendations to the General Assembly by December 31, 2017. Sponsors: Sens. Turner and Davis.

108.14. (PEBA: Shared-Savings Incentive Program Study Committee) From the funds appropriated to the authority, there is created a Shared-Savings Incentive Program Study Committee. The purpose of the study committee shall be to identify the requirements, costs, and benefits of implementing a shared-savings incentive program for state-employed, public sector or retired enrollees who elect to shop and receive health care services at a lower cost than the average price paid by their carrier for a comparable health care service. The study committee shall also assess whether the program should be administered by the authority or through a third party, or whether to require carriers to offer access to such a program for health care services eligible for shared incentives. The study committee shall be composed of members appointed as follows:

- (1) the Speaker of the House of Representatives or his designee;
- (2) the President Pro Tempore of the Senate or his designee;
- (3) the Chairman of the Senate Finance Committee or his designee;
- (4) the Chairman of the House Ways and Means Committee or his designee; and
- (5) one member appointed by the Governor that is a non-representative member of the

South Carolina Public Employee Benefit Authority Board of Directors.

The committee shall provide findings and recommendations to the General Assembly on or before December 31, 2017.

SECTION 109 - R440 - DEPARTMENT OF REVENUE

- 109.7** **DELETE** (Admissions Tax Exemption) Exempts admissions tax for university athletic booster club fees when the booster club is exempt from federal income tax.
SEN: DELETE proviso. *Ruled out of order.*

~~**109.7.** (DOR: Admissions Tax Exemption) Any amount that an accredited college or university requires a season ticket holder to pay to a nonprofit athletic booster organization that is exempt from federal income taxation in order to receive the right to purchase athletic event tickets is exempt from admissions tax.~~

- 109.11** **AMEND VS AMEND FURTHER** (Educational Credit for Exceptional Needs Children) Creates the Educational Credit for Exceptional Needs Children Fund and provides for scholarship funding organizations and individual tax credits for the amount a person contributes for an exceptional needs child within specific parameters.
WMC: AMEND proviso definition of "Eligible school" in (A)(1)(f) to require a school to also be in good standing with the "Palmetto Association of Independent Schools." Amend definition of "Exceptional needs child" by adding (A)(2)(c) to include a child who has been identified by

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DSS as having special educational or developmental needs. Amend definition of “resident public school district” in (A)(6) to add “or in the case of dependents of active duty military personnel, the public school district which the student may attend.” Amend (E)(1) to provide guidelines to reapply and apply to the EOC in order to participate in the program in the current fiscal year; provide for removal from the program if certain information is not received by specific deadlines; provide for verification that a school is a member in good standing with certain associations and with the Diocese of Charleston and that the school continues to serve exceptional needs children. Amend (E)(1)(c) to direct that the application must contain a copy of a compilation, review, or compliance audit of the organization’s financial statement “as relating to the grants received” conducted by a CPA firm. Amend (E)(3)(a)(ii) to require an independent school’s compliance audit be posted on the EOC website. Delete (J) which required scholarship funding organizations organized for the purpose of providing grants to qualifying students with exceptional needs to attend an independent school, to deposit all remaining funds into the Educational Credit for Exceptional Needs Children Fund by August 1, 2016 and direct that these organizations shall cease to exist on August 1, 2016.

HOU: ADOPT proviso as amended.

109.11. (DOR: Educational Credit for Exceptional Needs Children) (A) As used in this proviso:

(1) “Eligible school” means an independent school including those religious in nature, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met, that:

(a) offers a general education to primary or secondary school students;

(b) does not discriminate on the basis of race, color, or national origin;

(c) is located in this State;

(d) has an educational curriculum that includes courses set forth in the state’s diploma requirements, graduation certificate requirements (for special needs children), and where the students attending are administered national achievement or state standardized tests, or both, at progressive grade levels to determine student progress;

(e) has school facilities that are subject to applicable federal, state, and local laws;

(f) is a member in good standing of the Southern Association of Colleges and Schools, the South Carolina Association of Christian Schools, ~~or~~ the South Carolina Independent Schools Association, *or Palmetto Association of Independent Schools*; and

(g) provides a specially designed program or learning resource center to provide needed accommodations based on the needs of exceptional needs students or provides onsite educational services or supports to meet the needs of exceptional needs students, or is a school specifically existing to meet the needs of only exceptional needs students with documented disabilities.

(2) “Exceptional needs child” means a child:

(a) who has been evaluated in accordance with this state’s evaluation criteria, as set forth in S.C. Code Ann. Regs. 43-243.1, and determined eligible as a child with a disability who needs special education and related services, in accordance with the requirements of Section 300.8 of the Individuals with Disabilities Education Act; or

(b) who has been diagnosed within the last three years by a licensed speech-language pathologist, psychiatrist, or medical, mental health, psychoeducational, or other comparable licensed health care provider as having a neurodevelopmental disorder, a substantial sensory or physical impairment such as deaf, blind, or orthopedic disability, or some other disability or acute or chronic condition that significantly impedes the student’s ability to learn and succeed in school without specialized instructional and associated supports and services tailored to the child’s unique needs; *or*

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(c) who has been identified by the Department of Social Services as having special educational or developmental needs.

~~(4)~~ ~~(3)~~ 'Independent school' means a school, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met and that does not discriminate based on the grounds of race, color, religion, or national origin.

~~(5)~~ ~~(4)~~ 'Parent' means the natural or adoptive parent or legal guardian of a child.

~~(6)~~ ~~(5)~~ 'Qualifying student' means a student who is an exceptional needs child, a South Carolina resident, and who is eligible to be enrolled in a South Carolina secondary or elementary public school at the kindergarten or later year level for the applicable school year.

~~(7)~~ ~~(6)~~ 'Resident public school district' means the public school district in which a student resides, or in the case of dependents of active military personnel, the public school district which the student may attend.

~~(8)~~ ~~(7)~~ 'Transportation' means transportation to and from school only.

~~(9)~~ ~~(8)~~ 'Tuition' means the total amount of money charged for the cost of a qualifying student to attend an independent school including, but not limited to, fees for attending the school, textbook fees, and school-related transportation.

~~(10)~~ ~~(9)~~ 'Department' means the Department of Revenue.

(B) (1) There is created the Educational Credit for Exceptional Needs Children Fund that is separate and distinct from the State general fund. The fund shall be organized by the department as a public charity as defined by the Internal Revenue Code under sections 509(a)(1) through 509(a)(4) and consist solely of contributions made to the fund. The fund may not receive an appropriation of public funds. The fund shall receive and hold all contributions intended for it as well as all earnings until disbursed as provided in this chapter. Monies received in the fund shall be used to provide scholarships to exceptional needs children attending eligible schools.

(2) The amounts on deposit in the fund do not constitute public funds nor are the deposits property of the State. Amounts on deposit in the fund must not be commingled with public funds and the State shall have no claim to or interest in the amounts on deposit. Agreements or contracts entered into by or on behalf of the fund do not constitute a debt or obligation of the State.

(3) The fund shall be governed by five directors, two appointed by the Chairman of the House Ways and Means Committee, one of which is based upon the recommendation of the South Carolina Association of Christian Schools and one which is based upon the recommendation of the Diocese of Charleston, two appointed by the Chairman of the Senate Finance Committee based upon the recommendations of the South Carolina Independent Schools Association and one appointed by the Governor based upon the recommendation of the Palmetto Association of Independent Schools. The directors of the fund, along with the Director of the Department of Revenue, shall designate an executive director of the fund.

(4) In concert with the fund directors, the Department of Revenue shall administer the fund, including, but not limited to, the keeping of records, the management of accounts, and disbursement of the grants awarded pursuant to this proviso. The ~~department~~ fund may expend up to two percent of the fund for administration and related costs. The department may not expend public funds to administer the program.

(5) By June thirtieth of the current fiscal year, the Department of Revenue must report to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee and the Governor:

(a) the number and total amount of grants issued to eligible schools in the fiscal year;

(b) for each grant issued to an eligible school in the fiscal year, the identity of the school and the amount of the grant;

(c) an itemization and detailed explanation of any fees or other revenues obtained from or on behalf of any eligible schools;

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(d) a copy of a compilation, review, or audit of the fund's financial statements, conducted by a certified public accounting firm and;

(e) the criteria and eligibility requirements for scholarship awards.

(C) (1) Grants may be awarded in an amount not exceeding eleven thousand dollars or the total annual cost of tuition, whichever is less, to a qualifying student at an eligible school.

(2) Before awarding any grant, the fund must receive written documentation from the qualifying student's parent or guardian documenting that the qualifying student is an exceptional needs child. Upon approving the application, the fund must issue a check to the eligible school in the name of the qualifying student within either thirty days upon approval of the application or thirty days of the start of the school's semester.

(3) In the event that the qualifying student leaves or withdraws from the school for any reason before the end of the semester or school year and does not reenroll within thirty days, then the eligible school must return a prorated amount of the grant to the fund based on the number of days the qualifying student was enrolled in the school during the semester or school year within sixty days of the qualifying student's departure.

(4) The ~~department~~ *fund* may not award grants solely for the benefit of one school.

(5) The department may not release any personally identifiable information pertaining to students or donors or use information collected about donors, students, or schools for financial gain.

(6) The ~~department~~ *fund* shall develop a process to prioritize the awarding of grants to eligible incumbent grant recipients at eligible schools.

(D) (1) (a) Tax credits authorized by subsection (H)(1) and subsection (I) of this proviso annually may not exceed cumulatively a total of ten million dollars for contributions to the Educational Credit for Exceptional Needs Children Fund.

(b) Tax credits authorized pursuant to subsection (H)(2) of this proviso annually may not exceed cumulatively a total of two million dollars for tuition payments made on behalf of qualifying students.

(c) If the department determines that the total of the credits claimed by all taxpayers exceeds either limit amount as contained in items (a) or (b), it shall allow credits only up to those amounts on a first come, first served basis.

(2) (a) The department shall establish an application process to determine the amount of credit available to be claimed. The receipt of the application by the department shall determine priority for the credit. Subject to the provisions of subitem (e), contributions must be made annually on or before June thirtieth, in order to claim the credit. The credit must be claimed on the return for the tax year that the contribution is made.

(b) A taxpayer may not claim more than sixty percent of his total tax liability for the year in contribution toward the tax credit authorized by subsection (H)(1) or subsection (I). This credit is not refundable.

(c) If a taxpayer deducts the amount of the contribution on his federal return and claims the credit allowed by subsection (H)(1) or subsection (I), then he must add back the amount of the deduction for purposes of South Carolina income taxes.

(d) The department shall prescribe the form and manner of proof required to obtain the credit authorized by subsection (H)(1) or subsection (I). The department shall also develop a method of informing taxpayers if the credit limit is met at any time during the fiscal year.

(e) A taxpayer only may claim a credit pursuant to subsection (H)(1) and subsection (I) for contributions made during the fiscal year.

(3) A corporation or entity entitled to a credit under subsection (H)(1) and subsection (I) may not convey, assign, or transfer the credit authorized by this proviso to another entity unless all of the assets of the entity are conveyed, assigned, or transferred in the same transaction.

(E) (1) On or before August 1, ~~2016~~ *of the current fiscal year* an independent ~~schools may~~ *school who* apply to the Education Oversight Committee to be certified as an eligible institution.

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participated in the program in the prior fiscal year and who desires to participate in the program in the current fiscal year must reapply to the Education Oversight Committee. The independent school must certify to the Education Oversight Committee that it continues to meet all program requirements and must provide to the committee student test score data from the prior school year by December 31. If student test score data are not submitted by December 31, then the Education Oversight Committee must remove the school from the program. The Education Oversight Committee must consult with the Southern Association of Colleges and Schools, the South Carolina Association of Christian Schools, the South Carolina Independent Schools Association, Palmetto Association of Independent Schools, or the Diocese of Charleston to verify that the school is still a member in good standing and that the school continues to serve exceptional needs children. An independent school who did not participate in the program in the prior fiscal year but desires to participate in the program in the current fiscal year must apply to the Education Oversight Committee. The Education Oversight Committee shall develop an application to be completed by the independent schools which must contain at least:

- (a) the number and total amount of grants received in the preceding fiscal year;
- (b) student test scores, by category, on national achievement or state standardized tests, or both, for all grades tested and administered by the school receiving or entitled to receive scholarship grants pursuant to this chapter in the previous fiscal year;
- (c) a copy of a compilation, review, or compliance audit of the organization's financial statements as relating to the grants received, conducted by a certified public accounting firm; and
- (d) a certification by the independent school that it meets the definition of an eligible school as that term is defined in subsection (A)(1) and that the report is true, accurate, and complete under penalty of perjury in accordance with Section 16-9-10.

(2) (a) The Education Oversight Committee may waive the August first deadline contained in subsection (E) upon good cause shown by an independent school.

(b) The Education Oversight Committee may waive some or all of the curriculum requirements contained in subsection (A)(1)(d) following consultation with the advisory committee.

(3) (a) By September 1, 2016 the Education Oversight Committee shall publish on its website a comprehensive list of independent schools certified as eligible institutions. The list shall include for each eligible institution:

- (i) the institution's name, addresses, telephone numbers, and, if available, website addresses; and
- (ii) the score reports and compliance audits received by the committee pursuant to subsection (E)(1)(b) and (c).

(b) The Education Oversight Committee shall summarize or redact the score reports identified in item (3)(a)(ii) if necessary to prevent the disclosure of personally identifiable information.

(4) An independent school that does not apply for certification pursuant to this subsection must not be included on the list of eligible schools and contributions to that school shall not be allowed for purposes of the tax credits permitted by this proviso.

(5) An independent school that is denied certification pursuant to this section may seek review by filing a request for a contested case hearing with the Administrative Law Court in accordance with the court's rules of procedure.

(F) (1) The Education Oversight Committee shall establish an advisory committee made up of not more than nine members, including parents, and representatives of independent schools and independent school associations.

(2) The advisory committee shall:

- (a) consult with the Education Oversight Committee concerning requests for exemptions from curriculum requirements; and

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(b) provide recommendations on other matters requested by the Education Oversight Committee.

(G) Except as otherwise provided, the Department of Education, the Education Oversight Committee, and the Department of Revenue, nor any other state agency may regulate the educational program of an independent school that accepts students receiving scholarship grants pursuant to this chapter.”

(H) (1) A taxpayer is entitled to a tax credit against income taxes imposed pursuant to Chapter 6, Title 12 for the amount of cash and the monetary value of any publicly traded securities the taxpayer contributes to the Educational Credit for Exceptional Needs Children Fund up to the limits contained in subsection (D)(1)(a) of this proviso if:

(a) the contribution is used to provide grants for tuition to exceptional needs children enrolled in eligible schools who qualify for these grants under the provisions of this proviso; and

(b) the taxpayer does not designate a specific child or school as the beneficiary of the contribution.

(2) (a) A taxpayer is entitled to a refundable tax credit against income taxes imposed pursuant to Chapter 6, Title 12 for the amount of cash and the monetary value of any publicly traded securities, not exceeding eleven thousand dollars per child, for tuition payments to an eligible school for an exceptional needs child within his custody or care who would be eligible for a grant pursuant to this proviso up to the limits contained in subsection (D)(1)(b) of this proviso.

(b) If a child within the care and custody of taxpayer claiming a tax credit pursuant to this item also receives a grant from the Educational Credit for Exceptional Needs Children Fund, then the taxpayer may only claim a credit equal to the difference of eleven thousand dollars or the cost of tuition, whichever is lower, and the amount of the grant.

(I) A taxpayer is entitled to a tax credit against income taxes imposed pursuant to Chapter 11, Title 12 for the amount of cash and the monetary value of any publicly traded securities the taxpayer contributes to the Educational Credit for Exceptional Needs Children Fund up to the limits contained in subsection (D)(1)(a) of this proviso if:

(1) the contribution is used to provide grants for tuition to exceptional needs children enrolled in eligible schools who qualify for these grants under the provisions of this proviso; and

(2) the taxpayer does not designate a specific child or school as the beneficiary of the contribution.

~~(J) On or before August 1, 2016, each scholarship funding organization organized and operating pursuant to SECTION 9 of H. 4230, R. 130, Act 92 of 2015 shall deposit with the Educational Credit for Exceptional Needs Children Fund all remaining funds on hand as of July 1, 2016. Scholarship funding organizations organized and operating pursuant to SECTION 9 shall remain in existence after the effective date of this act solely for the purpose of winding down operations and depositing remaining funds with the Educational Credit for Exceptional Needs Children Fund pursuant to this provision. On August 1, 2016 all scholarship funding organizations organized pursuant to SECTION 9 shall cease to exist.~~

SFC: AMEND FURTHER to amend the definition of Exceptional needs child to delete (A)(2)(c) which refers to DSS identifying children with special needs. Amend (B)(3), (B)(4), and (C) to change “fund” reference to “public charity” and amend (D)(1)(a) to change “ten” million to “eleven” million in reference to the amount tax credits may not cumulatively exceed for tuition payments on behalf of qualifying students.

SEN: AMEND FURTHER Subsection (J) to direct DOR to conduct a study of the Exceptional Needs Tax Credit program and specify six categories to examine. Direct DOR to submit a report on the study to the General Assembly by January 15, 2018. Sponsor: Sen. Sheheen.

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109.11. (DOR: Educational Credit for Exceptional Needs Children) (A) As used in this proviso:

(1) "Eligible school" means an independent school including those religious in nature, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met, that:

(a) offers a general education to primary or secondary school students;
(b) does not discriminate on the basis of race, color, or national origin;
(c) is located in this State;
(d) has an educational curriculum that includes courses set forth in the state's diploma requirements, graduation certificate requirements (for special needs children), and where the students attending are administered national achievement or state standardized tests, or both, at progressive grade levels to determine student progress;

(e) has school facilities that are subject to applicable federal, state, and local laws;
(f) is a member in good standing of the Southern Association of Colleges and Schools, the South Carolina Association of Christian Schools, ~~or~~ the South Carolina Independent Schools Association, *or Palmetto Association of Independent Schools*; and

(g) provides a specially designed program or learning resource center to provide needed accommodations based on the needs of exceptional needs students or provides onsite educational services or supports to meet the needs of exceptional needs students, or is a school specifically existing to meet the needs of only exceptional needs students with documented disabilities.

(2) "Exceptional needs child" means a child:

(a) who has been evaluated in accordance with this state's evaluation criteria, as set forth in S.C. Code Ann. Regs. 43-243.1, and determined eligible as a child with a disability who needs special education and related services, in accordance with the requirements of Section 300.8 of the Individuals with Disabilities Education Act; or

(b) who has been diagnosed within the last three years by a licensed speech-language pathologist, psychiatrist, or medical, mental health, psychoeducational, or other comparable licensed health care provider as having a neurodevelopmental disorder, a substantial sensory or physical impairment such as deaf, blind, or orthopedic disability, or some other disability or acute or chronic condition that significantly impedes the student's ability to learn and succeed in school without specialized instructional and associated supports and services tailored to the child's unique needs.

~~(4)~~ (3) 'Independent school' means a school, other than a public school, at which the compulsory attendance requirements of Section 59-65-10 may be met and that does not discriminate based on the grounds of race, color, religion, or national origin.

~~(5)~~ (4) 'Parent' means the natural or adoptive parent or legal guardian of a child.

~~(6)~~ (5) 'Qualifying student' means a student who is an exceptional needs child, a South Carolina resident, and who is eligible to be enrolled in a South Carolina secondary or elementary public school at the kindergarten or later year level for the applicable school year.

~~(7)~~ (6) 'Resident public school district' means the public school district in which a student resides, *or in the case of dependents of active military personnel, the public school district which the student may attend.*

~~(8)~~ (7) 'Transportation' means transportation to and from school only.

~~(9)~~ (8) 'Tuition' means the total amount of money charged for the cost of a qualifying student to attend an independent school including, but not limited to, fees for attending the school, textbook fees, and school-related transportation.

~~(10)~~ (9) 'Department' means the Department of Revenue.

(B) (1) There is created the Educational Credit for Exceptional Needs Children Fund that is separate and distinct from the State general fund. The fund shall be organized by the department as a public charity as defined by the Internal Revenue Code under sections 509(a)(1) through

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509(a)(4) and consist solely of contributions made to the fund. The fund may not receive an appropriation of public funds. The fund shall receive and hold all contributions intended for it as well as all earnings until disbursed as provided in this chapter. Monies received in the fund shall be used to provide scholarships to exceptional needs children attending eligible schools.

(2) The amounts on deposit in the fund do not constitute public funds nor are the deposits property of the State. Amounts on deposit in the fund must not be commingled with public funds and the State shall have no claim to or interest in the amounts on deposit. Agreements or contracts entered into by or on behalf of the fund do not constitute a debt or obligation of the State.

(3) The ~~fund~~ public charity shall be governed by five directors, two appointed by the Chairman of the House Ways and Means Committee, one of which is based upon the recommendation of the South Carolina Association of Christian Schools and one which is based upon the recommendation of the Diocese of Charleston, two appointed by the Chairman of the Senate Finance Committee based upon the recommendations of the South Carolina Independent Schools Association and one appointed by the Governor based upon the recommendation of the Palmetto Association of Independent Schools. The directors of the ~~fund~~ public charity, along with the Director of the Department of Revenue, shall designate an executive director of the ~~fund~~ public charity.

(4) In concert with the ~~fund~~ public charity directors, the Department of Revenue shall administer the ~~fund~~ public charity, including, but not limited to, the keeping of records, the management of accounts, and disbursement of the grants awarded pursuant to this proviso. The ~~department~~ public charity may expend up to two percent of the fund for administration and related costs. ~~The~~ Neither the department or the public charity may ~~not~~ expend public funds to administer the program.

(5) By June thirtieth of the current fiscal year, the Department of Revenue must report to the Chairman of the Senate Finance Committee, the Chairman of the House Ways and Means Committee and the Governor:

(a) the number and total amount of grants issued to eligible schools in the fiscal year;

(b) for each grant issued to an eligible school in the fiscal year, the identity of the school and the amount of the grant;

(c) an itemization and detailed explanation of any fees or other revenues obtained from or on behalf of any eligible schools;

(d) a copy of a compilation, review, or audit of the fund's financial statements, conducted by a certified public accounting firm and;

(e) the criteria and eligibility requirements for scholarship awards.

(C) (1) Grants may be awarded in an amount not exceeding eleven thousand dollars or the total annual cost of tuition, whichever is less, to a qualifying student at an eligible school.

(2) Before awarding any grant, the ~~fund~~ public charity must receive written documentation from the qualifying student's parent or guardian documenting that the qualifying student is an exceptional needs child. Upon approving the application, the ~~fund~~ public charity must issue a check to the eligible school in the name of the qualifying student within either thirty days upon approval of the application or thirty days of the start of the school's semester.

(3) In the event that the qualifying student leaves or withdraws from the school for any reason before the end of the semester or school year and does not reenroll within thirty days, then the eligible school must return a prorated amount of the grant to the ~~fund~~ public charity based on the number of days the qualifying student was enrolled in the school during the semester or school year within sixty days of the qualifying student's departure.

(4) The ~~department~~ public charity may not award grants solely for the benefit of one school.

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(5) The department *or the public charity* may not release any personally identifiable information pertaining to students or donors or use information collected about donors, students, or schools for financial gain.

(6) The ~~department~~ *public charity* shall develop a process to prioritize the awarding of grants to eligible incumbent grant recipients at eligible schools.

(D) (1) (a) Tax credits authorized by subsection (H)(1) and subsection (I) of this proviso annually may not exceed cumulatively a total of ~~ten~~ *eleven* million dollars for contributions to the Educational Credit for Exceptional Needs Children Fund.

(b) Tax credits authorized pursuant to subsection (H)(2) of this proviso annually may not exceed cumulatively a total of two million dollars for tuition payments made on behalf of qualifying students.

(c) If the department determines that the total of the credits claimed by all taxpayers exceeds either limit amount as contained in items (a) or (b), it shall allow credits only up to those amounts on a first come, first served basis.

(2) (a) The department shall establish an application process to determine the amount of credit available to be claimed. The receipt of the application by the department shall determine priority for the credit. Subject to the provisions of subitem (e), contributions must be made annually on or before June thirtieth, in order to claim the credit. The credit must be claimed on the return for the tax year that the contribution is made.

(b) A taxpayer may not claim more than sixty percent of his total tax liability for the year in contribution toward the tax credit authorized by subsection (H)(1) or subsection (I). This credit is not refundable.

(c) If a taxpayer deducts the amount of the contribution on his federal return and claims the credit allowed by subsection (H)(1) or subsection (I), then he must add back the amount of the deduction for purposes of South Carolina income taxes.

(d) The department shall prescribe the form and manner of proof required to obtain the credit authorized by subsection (H)(1) or subsection (I). The department shall also develop a method of informing taxpayers if the credit limit is met at any time during the fiscal year.

(e) A taxpayer only may claim a credit pursuant to subsection (H)(1) and subsection (I) for contributions made during the fiscal year.

(3) A corporation or entity entitled to a credit under subsection (H)(1) and subsection (I) may not convey, assign, or transfer the credit authorized by this proviso to another entity unless all of the assets of the entity are conveyed, assigned, or transferred in the same transaction.

(E) (1) On or before August 1, 2016 of the current fiscal year an independent schools may apply to the Education Oversight Committee to be certified as an eligible institution school who participated in the program in the prior fiscal year and who desires to participate in the program in the current fiscal year must reapply to the Education Oversight Committee. The independent school must certify to the Education Oversight Committee that it continues to meet all program requirements and must provide to the committee student test score data from the prior school year by December 31. If student test score data are not submitted by December 31, then the Education Oversight Committee must remove the school from the program. The Education Oversight Committee must consult with the Southern Association of Colleges and Schools, the South Carolina Association of Christian Schools, the South Carolina Independent Schools Association, Palmetto Association of Independent Schools, or the Diocese of Charleston to verify that the school is still a member in good standing and that the school continues to serve exceptional needs children. An independent school who did not participate in the program in the prior fiscal year but desires to participate in the program in the current fiscal year must apply to the Education Oversight Committee. The Education Oversight Committee shall develop an application to be completed by the independent schools which must contain at least:

(a) the number and total amount of grants received in the preceding fiscal year;

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(b) student test scores, by category, on national achievement or state standardized tests, or both, for all grades tested and administered by the school receiving or entitled to receive scholarship grants pursuant to this chapter in the previous fiscal year;

(c) a copy of a compilation, review, or compliance audit of the organization's financial statements *as relating to the grants received*, conducted by a certified public accounting firm; and

(d) a certification by the independent school that it meets the definition of an eligible school as that term is defined in subsection (A)(1) and that the report is true, accurate, and complete under penalty of perjury in accordance with Section 16-9-10.

(2) (a) The Education Oversight Committee may waive the August first deadline contained in subsection (E) upon good cause shown by an independent school.

(b) The Education Oversight Committee may waive some or all of the curriculum requirements contained in subsection (A)(1)(d) following consultation with the advisory committee.

(3) (a) By September 1, 2016 the Education Oversight Committee shall publish on its website a comprehensive list of independent schools certified as eligible institutions. The list shall include for each eligible institution:

(i) the institution's name, addresses, telephone numbers, and, if available, website addresses; and

(ii) the score reports and *compliance* audits received by the committee pursuant to subsection (E)(1)(b) and (c).

(b) The Education Oversight Committee shall summarize or redact the score reports identified in item (3)(a)(ii) if necessary to prevent the disclosure of personally identifiable information.

(4) An independent school that does not apply for certification pursuant to this subsection must not be included on the list of eligible schools and contributions to that school shall not be allowed for purposes of the tax credits permitted by this proviso.

(5) An independent school that is denied certification pursuant to this section may seek review by filing a request for a contested case hearing with the Administrative Law Court in accordance with the court's rules of procedure.

(F) (1) The Education Oversight Committee shall establish an advisory committee made up of not more than nine members, including parents, and representatives of independent schools and independent school associations.

(2) The advisory committee shall:

(a) consult with the Education Oversight Committee concerning requests for exemptions from curriculum requirements; and

(b) provide recommendations on other matters requested by the Education Oversight Committee.

(G) Except as otherwise provided, the Department of Education, the Education Oversight Committee, and the Department of Revenue, nor any other state agency may regulate the educational program of an independent school that accepts students receiving scholarship grants pursuant to this chapter."

(H) (1) A taxpayer is entitled to a tax credit against income taxes imposed pursuant to Chapter 6, Title 12 for the amount of cash and the monetary value of any publicly traded securities the taxpayer contributes to the Educational Credit for Exceptional Needs Children Fund up to the limits contained in subsection (D)(1)(a) of this proviso if:

(a) the contribution is used to provide grants for tuition to exceptional needs children enrolled in eligible schools who qualify for these grants under the provisions of this proviso; and

(b) the taxpayer does not designate a specific child or school as the beneficiary of the contribution.

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(2) (a) A taxpayer is entitled to a refundable tax credit against income taxes imposed pursuant to Chapter 6, Title 12 for the amount of cash and the monetary value of any publicly traded securities, not exceeding eleven thousand dollars per child, for tuition payments to an eligible school for an exceptional needs child within his custody or care who would be eligible for a grant pursuant to this proviso up to the limits contained in subsection (D)(1)(b) of this proviso.

(b) If a child within the care and custody of taxpayer claiming a tax credit pursuant to this item also receives a grant from the Educational Credit for Exceptional Needs Children Fund, then the taxpayer may only claim a credit equal to the difference of eleven thousand dollars or the cost of tuition, whichever is lower, and the amount of the grant.

(I) A taxpayer is entitled to a tax credit against income taxes imposed pursuant to Chapter 11, Title 12 for the amount of cash and the monetary value of any publicly traded securities the taxpayer contributes to the Educational Credit for Exceptional Needs Children Fund up to the limits contained in subsection (D)(1)(a) of this proviso if:

(1) the contribution is used to provide grants for tuition to exceptional needs children enrolled in eligible schools who qualify for these grants under the provisions of this proviso; and

(2) the taxpayer does not designate a specific child or school as the beneficiary of the contribution.

(J) ~~On or before August 1, 2016, each scholarship funding organization organized and operating pursuant to SECTION 9 of H. 4230, R. 130, Act 92 of 2015 shall deposit with the Educational Credit for Exceptional Needs Children Fund all remaining funds on hand as of July 1, 2016. Scholarship funding organizations organized and operating pursuant to SECTION 9 shall remain in existence after the effective date of this act solely for the purpose of winding down operations and depositing remaining funds with the Educational Credit for Exceptional Needs Children Fund pursuant to this provision. On August 1, 2016 all scholarship funding organizations organized pursuant to SECTION 9 shall cease to exist. The department shall conduct a comprehensive study of the Exceptional Needs Tax Credit program. The study shall examine the following:~~

(1) whether or not the students participating in the program have experienced measurable improvement as a result of participation;

(2) the allocation of scholarship funds and tax credits among students, including the effect of funding limitations on the addition of new participants; the demographic and socio-economic data of the participants and their families; and the geographical distribution of the participants;

(3) the distribution of scholarship funds among all eligible schools;

(4) the nature and quality of services provided by eligible schools participating in the program, including retention rates of participating students among the schools, with an analysis of the reasons that students not retained by a school made a different educational choice and where those students chose to attend rather than the eligible school;

(5) identification of the schools in which the most measurable improvement has occurred among students, with an analysis of the types of schools achieving the best results and best practices implemented by those schools; and

(6) any other aspect of the program that the department determines would be relevant and useful in making future policy decisions in regard to the program and its continued existence or expansion.

The department shall submit a report of its study to the General Assembly no later than January 15, 2018.

109.12 ADD (Retail Liquor Dealer License Supplemental Fee) **SEN:** ADD new proviso to direct DOR to collect a supplemental license fee for all applications for a fourth or subsequent retail dealer license. Direct the supplemental fee amount to be equal to the average gross sales for each of the

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licensee's existing licensed locations during the preceding 12 months. Direct the fee to be remitted in 12 equal installments beginning on July 31 and on the last day of each subsequent month. Authorize the fee to be used for additional law enforcement, regulatory measures, health care and associated impacts to the State's residents resulting from additional liquor sales. Sponsors: Sens. Grooms, Shealy, Sheheen and Scott.

109.12. (DOR: Retail Liquor Dealer License Supplemental Fee) In addition to other fees imposed by the Department of Revenue in relation to retail dealer licenses issued pursuant to Chapter 6, Title 61, the Alcoholic Beverage Control Act, the department shall collect a supplemental license fee for all applications for a fourth or subsequent retail dealer license. The supplemental fee shall apply to each location for which the applicant proposes to do business under the license. The supplemental fee for an existing licensee shall be equal to the average gross sales for each of the licensee's existing licensed locations during the twelve months immediately preceding the month in which the application is submitted. The supplemental fee for an applicant who does not have any licensed locations from which to derive average gross sales data shall be equal to the average gross sales of the geographically nearest three licensees. The fee shall be remitted in twelve equal installments beginning on July 31 and on the last day of each month during the fiscal year. The fee imposed pursuant to this proviso is necessary to fund additional law enforcement, regulatory measures, health care costs, and associated impacts on the health, safety, and welfare of the State's residents resulting from the anticipated additional sales of liquor.

- 109.13 ADD (Retail Liquor Dealer License) HOU2:** AMEND House version to ADD new proviso to prohibit DOR from collecting a license application fee and from issuing a temporary, biennial, or any other retail license to sell liquor for off-premises consumption if the applicant has three retail liquor licenses. Direct any applications for a fourth or subsequent license be held in abeyance during the current fiscal year. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire. *Note: Proviso was 109.12 in HOU2 version.*

109.13. (DOR: Retail Liquor Dealer License) For the current fiscal year, the Department of Revenue is hereby prohibited from collecting a license application fee and from issuing a temporary, biennial, or any other retail license to sell liquor for off-premises consumption to a licensee if the applying licensee has three retail liquor licenses. Any applications for a fourth or subsequent license when the licensee has three retail liquor licenses shall be held in abeyance during the current fiscal year.

SECTION 117 - X900 - GENERAL PROVISIONS

- 117.58 AMEND VS AMEND FURTHER (Year-End Financial Statements - Penalties)** Provides timeframes for submission of annual audited financial statements by agencies, institutions, and other reporting entities to the Comptroller General for inclusion in the State's CAFR. Requires the Comptroller General to provide a report to SFFA by November 30th on each noncompliant agency, institution, or other reporting entity.
WMC: AMEND proviso to change the date by which agencies whose fiscal year ends on June 30th must submit their final audited financial statements to the Comptroller General from "October first" to "October fifteenth."
HOU: ADOPT proviso as amended.

117.58. (GP: Year-End Financial Statements - Penalties) Agencies, institutions, and other reporting entities required to submit annual audited financial statements for inclusion in the State's Comprehensive Annual Financial Report must submit final audited financial statements

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to the Comptroller General not later than October ~~first~~ fifteenth for those with fiscal year-end June thirtieth. For institutions and reporting entities with fiscal year-ends other than June thirtieth, final audited financial statements must be submitted to the Comptroller General within 120 days of that fiscal year-end. The Comptroller General shall provide a written report of each agency, institution, or other reporting entity not in compliance with this provision to the State Fiscal Accountability Authority by November thirtieth.

SFC: AMEND proviso to reinsert the October first submission date, but authorize the SCRS, Insurance Benefits and OPEB administered by PEBA to submit their final audited financial statements by October 15th.

SEN: ADOPT proviso as amended further.

117.58. (GP: Year-End Financial Statements - Penalties) Agencies, institutions, and other reporting entities required to submit annual audited financial statements for inclusion in the State's Comprehensive Annual Financial Report must submit final audited financial statements to the Comptroller General not later than October first for those with fiscal year-end June thirtieth. The South Carolina Retirement Systems, Insurance Benefits, and Other Post-Employment Benefits Trust Funds administered by the South Carolina Public Employee Benefit Authority must submit their final audited financial statements no later than October fifteenth. For institutions and reporting entities with fiscal year-ends other than June thirtieth, final audited financial statements must be submitted to the Comptroller General within 120 days of that fiscal year-end. The Comptroller General shall provide a written report of each agency, institution, or other reporting entity not in compliance with this provision to the State Fiscal Accountability Authority by November thirtieth.

117.75 AMEND VS RESTORE ORIGINAL PROVISIO (Mandatory Furlough) Provides for circumstances under which an agency head may institute a mandatory furlough. Directs that agency heads should consider furloughing contract employees, post-TERI employees, and TERI employees before furloughing other employees. Provides for who is responsible for employer and employee contributions during a furlough. Directs that if a reduction is due solely to the General Assembly transferring or deleting a program this provision does not apply.

HOU: AMEND proviso to direct that employees whose salary is less than \$40,000 shall not be furloughed. Sponsor: Rep. Cobb-Hunter.

117.75. (GP: Mandatory Furlough) In a fiscal year in which the general funds appropriated for a state agency are less than the general funds appropriated for that agency in the prior fiscal year, or whenever the General Assembly or the Executive Budget Office implements a midyear across-the-board budget reduction, and agency heads institute a mandatory employee furlough program, in determining which employees must participate in the program, agency heads should give consideration to furloughs for contract employees, post-TERI employees, and TERI employees before other employees. Employees which make a salary of under \$40,000 shall not be furloughed. During this mandatory furlough, the state employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits which require employer and employee contributions, the state agencies, institutions, and departments will be responsible for making both employer and employee contributions if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions. In the event an agency's reduction is due solely to the General Assembly transferring or deleting a program, this provision does not apply.

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SFC: RESTORE original proviso.

SEN: ADOPT original proviso.

117.75. (GP: Mandatory Furlough) In a fiscal year in which the general funds appropriated for a state agency are less than the general funds appropriated for that agency in the prior fiscal year, or whenever the General Assembly or the Executive Budget Office implements a midyear across-the-board budget reduction, and agency heads institute a mandatory employee furlough program, in determining which employees must participate in the program, agency heads should give consideration to furloughs for contract employees, post-TERI employees, and TERI employees before other employees. During this mandatory furlough, the state employees shall be entitled to participate in the same state benefits as otherwise available to them except for receiving their salaries. As to those benefits which require employer and employee contributions, the state agencies, institutions, and departments will be responsible for making both employer and employee contributions if coverage would otherwise be interrupted; and as to those benefits which require only employee contributions, the employee remains solely responsible for making those contributions. In the event an agency's reduction is due solely to the General Assembly transferring or deleting a program, this provision does not apply.

117.110 AMEND VS AMEND FURTHER (South Carolina Welcome Centers) Directs the PRT and DOT maintain a MOU that provides that PRT control operations of all SC Welcome Centers and specifies control of certain responsibilities. Directs DOT to transfer \$3,313,560, less any state funds appropriated by the General Assembly for Welcome Centers, to PRT. Directs that these funds be placed in a separate and distinct fund and authorizes these funds to be carried forward and used for the same purposes.

WMC: AMEND proviso to delete the requirement that DOT transfer \$3,313,560 to PRT.

HOU: ADOPT proviso as amended.

HOU2: AMEND House version to reinsert the carry forward provision but specify that it is for the funds appropriated for this purpose. Sponsors: Reps. White, Cole, Herbkerman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

117.110.(GP: South Carolina Welcome Centers) The Department of Parks, Recreation and Tourism and the Department of Transportation shall maintain a Memorandum of Understanding (MOU) that provides that the Department of Parks, Recreation and Tourism shall control operations of all South Carolina Welcome Centers. The MOU shall include replacement, renovation and maintenance of the facilities, daily operations, and grounds maintenance and upkeep and shall clearly define responsibility for additional portions of Welcome Centers to include paving and sidewalks. ~~The Department of Transportation shall transfer to the Department of Parks, Recreation and Tourism the amount of \$3,313,560 less any state funds appropriated by the General Assembly for the same purpose. The Department of Parks, Recreation and Tourism assumes responsibility for this amount and the timing of the transfer of these funds shall be defined as part of the MOU. The funds transferred~~ *appropriated* to the Department of Parks, Recreation and Tourism *for this purpose* shall be placed in a separate and distinct fund and these funds shall be carried forward from the prior fiscal year into the current fiscal year and be expended for the same purposes.

SFC: RESTORE original proviso and AMEND FURTHER to change the amount DOT is directed to transfer to PRT from "\$3,313,560" to "\$3,563,560."

SEN: ADOPT proviso as amended further.

117.110.(GP: South Carolina Welcome Centers) The Department of Parks, Recreation and Tourism and the Department of Transportation shall maintain a Memorandum of Understanding

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(MOU) that provides that the Department of Parks, Recreation and Tourism shall control operations of all South Carolina Welcome Centers. The MOU shall include replacement, renovation and maintenance of the facilities, daily operations, and grounds maintenance and upkeep and shall clearly define responsibility for additional portions of Welcome Centers to include paving and sidewalks. The Department of Transportation shall transfer to the Department of Parks, Recreation and Tourism the amount of ~~\$3,313,560~~ \$3,563,560 less any state funds appropriated by the General Assembly for the same purpose. The Department of Parks, Recreation and Tourism assumes responsibility for this amount and the timing of the transfer of these funds shall be defined as part of the MOU. The funds transferred to the Department of Parks, Recreation and Tourism shall be placed in a separate and distinct fund and these funds shall be carried forward from the prior fiscal year into the current fiscal year and be expended for the same purposes.

- 117.115 DELETE** (PEBA Fiduciary Audit) Suspends the requirement that the Inspector General employ a private audit firm to perform the required fiduciary audit on PEBA.
HOU2: AMEND House version to DELETE proviso. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

117.115.(GP: PEBA Fiduciary Audit) ~~For the current fiscal year, the provisions of Section 9-4-40 requiring the Inspector General to employ a private audit firm to perform the fiduciary audit on the Public Employee Benefit Authority as required by Section 9-4-40 of the 1976 Code shall be suspended.~~

- 117.123 AMEND VS AMEND FURTHER** (Sentencing Reform Oversight Committee Reauthorization) Reauthorizes the Sentencing Reform Oversight Committee for FY 2016-17 and adds four members to the committee: two members of the House, one appointed by the Speaker of the House and one appointed by the Ways and Means Committee Chairman, and two members of the Senate, one appointed by the President Pro Tempore and one appointed by the Senate Finance Committee Chairman.
WMC: AMEND proviso to change "Fiscal Year 2016-17" to "the current fiscal year."
HOU: ADOPT proviso as amended.

117.123.(GP: Sentencing Reform Oversight Committee Reauthorization) The Sentencing Reform Oversight Committee established by Chapter 28 of Title 24 of the 1976 Code is reauthorized for ~~Fiscal Year 2016-17~~ the current fiscal year, notwithstanding the provisions of Section 24-28-20(c). Four members shall be added to the Sentencing Reform Oversight Committee. Two shall be members of the House of Representatives, one appointed by the Speaker of the House and one appointed by the Chairman of the Ways and Means Committee. Two shall be members of the Senate, one appointed by the President Pro Tempore of the Senate and one appointed by the Chairman of the Senate Finance Committee.

SFC: ADOPT proviso as amended.

SEN: AMEND FURTHER to delete proviso as amended and instead establish a new Sentencing Reform Oversight Committee; provide for the composition of the 11 member committee; provide for the powers and duties of the committee; and direct that committee members are entitled to mileage, subsistence and per diem. Sponsors: Sens. Malloy and Martin. *Note: Existing proviso was originally ruled out of order by the Senate but was resubmitted and adopted as a revised proviso.*

117.123. (GP: Sentencing Reform Oversight Committee Reauthorization) ~~The Sentencing Reform Oversight Committee established by Chapter 28 of Title 24 of the 1976 Code~~

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~~is reauthorized for Fiscal Year 2016-17, notwithstanding the provisions of Section 24-28-20(c). Four members shall be added to the Sentencing Reform Oversight Committee. Two shall be members of the House of Representatives, one appointed by the Speaker of the House and one appointed by the Chairman of the Ways and Means Committee. Two shall be members of the Senate, one appointed by the President Pro Tempore of the Senate and one appointed by the Chairman of the Senate Finance Committee.~~ *There is established for the current fiscal year the South Carolina Sentencing Reform Oversight Committee. The oversight committee shall be composed of eleven members, two of whom shall be members of the Senate, both appointed by the Chair of the Senate Judiciary Committee and one being the Chair of the Senate Judiciary Committee or his designee; two of whom shall be members of the Senate, one appointed by the President Pro Tempore of the Senate and one appointed by the Chairman of the Senate Finance Committee; two of whom shall be members of the House of Representatives, both appointed by the Chair of the House Judiciary Committee and one being the Chair of the House Judiciary Committee or his designee; two of whom shall be members of the House of Representatives, one appointed by the Speaker of the House and one appointed by the Chairman of the House Ways and Means Committee; one of whom shall be appointed by the Chair of the Senate Judiciary Committee from the general public at large; one of whom shall be appointed by the Chair of the House Judiciary Committee from the general public at large; and one of whom shall be appointed by the Governor. Provided, however, that in making appointments to the oversight committee, race, gender, and other demographic factors should be considered to assure nondiscrimination, inclusion, and representation to the greatest extent of all segments of the population of the State. The members of the general public appointed by the chairs of the House and Senate Judiciary Committees must be representative of all citizens of this State and must not be members of the General Assembly.*

The oversight committee must meet as soon as practicable after appointment and organize itself by electing one of its members as chair and such other officers as the oversight committee may consider necessary. Thereafter, the oversight committee must meet at the call of the chair or by a majority of the members. A quorum consists of seven members.

The oversight committee shall have the following powers and duties:

(1) to review the implementation of the recommendations made in the Sentencing Reform Commission report of February 2010, including, but not limited to:

(a) the plan required from the Department of Probation, Parole and Pardon Services on the parole board training and other goals identified in Section 24-21-10;

(b) the report from the Department of Probation, Parole and Pardon Services on its goals and the development of assessment tools consistent with evidence-based practices;

(c) the report from the Office of Pretrial Intervention Coordinator in the Commission on Prosecution Coordination on diversion programs required by the provisions of Article 11, Chapter 22, Title 17; and

(d) the report from the Department of Probation, Parole and Pardon Services on:

(i) the number and percentage of individuals placed on administrative sanctions and the number and percentage of individuals who have earned compliance credits; and

(ii) the number and percentage of probationers and parolees whose supervision has been revoked for violations of conditions or for convictions of new offenses;

(2) to request data similar to the information contained in the report required by Section 17-22-1120 from private organizations for which programs are operated through a court and that divert individuals from prosecution, incarceration, or confinement, such as diversion from incarceration for failure to pay child support, and for which programs are sanctioned by, coordinated with, or funded by federal, state, or local governmental agencies;

(3) (a) to calculate:

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(i) any state expenditures that have been avoided by reductions in the revocation rate as calculated by the Department of Probation, Parole and Pardon Services and reported under Sections 24-21-450 and 24-21-680; and

(ii) any state expenditures that have been avoided by reductions in the new felony offense conviction rate as calculated by the Department of Probation, Parole and Pardon Services and reported under Sections 24-21-450 and 24-21-680;

(b) to develop rules and regulations for calculating the savings in item (3)(a), which shall account at a minimum for the variable costs averted, such as food and medical expenses, and also to consider fixed expenditures that are avoided if larger numbers of potential inmates are avoided;

(c) on or before December first, to report the calculations made pursuant to item (3)(a) to the President of the Senate, the Speaker of the House of Representatives, the Chief Justice of the South Carolina Supreme Court, and the Governor. The report also shall recommend whether or not to appropriate up to thirty-five percent of any state expenditures that are avoided as calculated in item (3)(a) to the Department of Probation, Parole and Pardon Services;

(i) with respect to the recommended appropriations in item (c), none of the calculated savings shall be recommended for appropriation for that fiscal year if there is an increase in the percentage of individuals supervised by the Department of Probation, Parole and Pardon Services who are convicted of a new felony offense as calculated in subitem (3)(a)(ii);

(d) any funds appropriated during this fiscal year pursuant to the recommendations in item (c) shall be used to supplement, not replace, any other state appropriations to the Department of Probation, Parole and Pardon Services;

(e) funds received through appropriations pursuant to this item shall be used by the Department of Probation, Parole and Pardon Services for the following purposes:

(i) implementation of evidence-based practices;

(ii) increasing the availability of risk reduction programs and interventions, including substance abuse treatment programs, for supervised individuals; or

(iii) grants to nonprofit victim services organizations to partner with the Department of Probation, Parole and Pardon Services and courts to assist victims and increase the amount of restitution collected from offenders;

(4) to submit to the General Assembly, on an annual basis, the oversight committee's evaluation of the implementation of the recommendations of the Sentencing Reform Commission report of February 2010;

(5) to make reports and recommendations to the General Assembly on matters relating to the powers and duties set forth in this section, including recommendations on transfers of funding based on the success or failure of implementation of the recommendations; and

(6) to undertake such additional studies or evaluations as the oversight committee considers necessary to provide sentencing reform information and analysis.

The oversight committee members are entitled to such mileage, subsistence, and per diem as authorized by law for members of boards, committees, and commissions while in the performance of the duties for which appointed. These expenses shall be paid from the general fund of the State on warrants duly signed by the chair of the oversight committee and payable by the authorities from which a member is appointed.

The oversight committee is encouraged to apply for and may expend grants, gifts, or federal funds it receives from other sources to carry out its duties and responsibilities.

The oversight committee must use clerical and professional employees of the General Assembly for its staff, who must be made available to the oversight committee.

The oversight committee may employ or retain other professional staff, upon the determination of the necessity for other staff by the oversight committee.

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The oversight committee may employ consultants to assist in the evaluations and, when necessary, the implementation of the recommendations of the Sentencing Reform Commission report of February 2010.

- 117.134 ADD VS DELETE NEW PROVISO** (Equestrian Center Therapy Program) **WMC:** ADD new proviso to direct Voc Rehab to transfer \$500,000 to Lander University for the Lander Equestrian Center and direct Lander to use these funds to operate the center and to create a Herd 2 Human pilot program to provide equine assisted psychotherapy geared towards the treatment of PTSD and other similar disorders for members of the military. Direct that the funds must be used for the center and may not be transferred and used for other purposes.
HOU: ADOPT new proviso.

117.134.(GP: Equestrian Center Therapy Program) The Department of Vocational Rehabilitation shall transfer \$500,000 to Lander University for the Lander Equestrian Center. These funds shall be used for the operation of the Equestrian Center and to create a Herd 2 Human pilot program to provide equine assisted psychotherapy geared towards military members as a method of treating post-traumatic stress disorder (PTSD) and other similar disorders. These funds shall be used solely for the Equestrian Center and shall not be transferred and used for any other purpose.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

117.134.(GP: Equestrian Center Therapy Program) DELETED

- 117.135 AMEND NEW PROVISO** (South Carolina Telemedicine Network) **WMC:** ADD new proviso to direct that Telemedicine funds appropriated to MUSC for the MUSC Hospital Authority must be used to continue development of the SC Statewide Telemedicine Network. Direct the SC Telehealth Alliance to submit a proposal to the authority and the Department of Health and Human Services to determine which entities are best suited for Telemedicine partnerships. Direct DHHS to develop or continue a program to leverage the use of teaching hospitals to provide rural physician coverage by expanding use of telemedicine. Direct DHHS to use \$9,000,000 to contract with the MUSC Hospital Authority to lead the statewide, open access, South Carolina Telemedicine Network. Direct that no less than \$1,000,000 be allocated toward Palmetto Care Connections and other hospitals in the state. Direct the authority provide DHHS with quarterly reports on the allocation of funds and the progress of telemedicine transformation efforts and networks. Direct the MUSC Hospital Authority to publish a summary progress report on the telemedicine transformation and submit it to the Governor and General Assembly by March 1, 2018.

HOU: ADOPT new proviso.

HOU2: AMEND House version, Section (A) to direct the department to amend telemedicine reimbursement policies to include Act 301 Behavioral Health Centers as a referring site for covered telemedicine services. Amend Section (B) to direct the MUSC Hospital Authority to contract with each Regional Support Hub to ensure funding and support of strategic plans. Add new Section (C) to allow an Advanced Practice Registered Nurse (APRN) working in a telehealth program to provide services pursuant to approved written protocol to a patient in another location with or without an intervening practitioner. Amend Section (D) to change “March” to “April” for summary reporting deadline. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

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117.135.(GP: South Carolina Telemedicine Network) From the funds appropriated to the Medical University of South Carolina for the MUSC Hospital Authority for Telemedicine and the funds appropriated and authorized for the Department of Health and Human Services, the agencies must continue the development of the South Carolina Statewide Telemedicine Network. The South Carolina Telehealth Alliance shall submit a proposal to the MUSC Hospital Authority and the Department of Health and Human Services to determine which hospitals, clinics, schools or other entities are best suited for Telemedicine partnerships.

(A) The Department of Health and Human Services shall develop or continue a program to leverage the use of teaching hospitals to provide rural physician coverage by expanding the use of Telemedicine, to include new applications such as School Based Telehealth, and Tele-ICU. The department shall also amend its policy related to reimbursement for telemedicine to add Act 301 Behavioral Health Centers as a referring site for covered telemedicine services.

(B) During the current fiscal year the Department of Health and Human Services shall contract with the MUSC Hospital Authority in the amount of \$9,000,000 to lead the development and operation of a statewide, open access South Carolina Telemedicine Network. The MUSC Hospital Authority shall contract with each Regional Support Hub to ensure funding and support of strategic plans submitted by the Regional Support Hubs and approved by both the MUSC Hospital Authority and the Department of Health and Human Services. Institutions and other entities participating in the network must be afforded the opportunity to meaningfully participate in the development of any annual refining to the initiative's strategic plan. Working with the department, the MUSC Hospital Authority shall collaborate with Palmetto Care Connections to pursue this goal. No less than \$1,000,000 of these funds shall be allocated toward support of Palmetto Care Connections and other hospitals in South Carolina. The MUSC Hospital Authority must provide the department with quarterly reports regarding the funds allocation and progress of telemedicine transformation efforts and networks. These reports must include an itemization of the ultimate recipients of these funds, whether vendors, grantees, specific participating institutions, or the Medical University of South Carolina, and must distinguish between funds allocation to the university as a participating institution as opposed to those retained and used by the university in its capacity as the administering entity for the network.

(C) An Advanced Practice Registered Nurse (APRN), as defined in Section 40-33-20(5) of the 1976 Code, working in a telehealth program may provide services pursuant to a written protocol approved by the South Carolina Board of Medical Examiners as required by Section 40-33-34 and Section 40-47-195 using electronic communications, information technology, or other means to a patient in another location with or without an intervening practitioner. APRNs practicing telehealth will be held to the same standard of care as in-person medical care. Except as provided herein, this shall not be construed to allow an APRN to perform services beyond the scope of what is authorized by Title 40, Chapter 33 and Title 40, Chapter 47.

(D) The MUSC Hospital Authority shall publish a summary report to the Governor and the General Assembly indicating the overall progress of the state's telemedicine transformation by April 1, 2018.

SFC: AMEND new proviso section (B) to change the MUSC Hospital Authority contract amount from “\$9,000,000” to “\$8,000,000.”

SEN: ADOPT new proviso as amended.

117.135.(GP: South Carolina Telemedicine Network) From the funds appropriated to the Medical University of South Carolina for the MUSC Hospital Authority for Telemedicine and the funds appropriated and authorized for the Department of Health and Human Services, the agencies must continue the development of the South Carolina Statewide Telemedicine Network. The South Carolina Telehealth Alliance shall submit a proposal to the MUSC Hospital Authority

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and the Department of Health and Human Services to determine which hospitals, clinics, schools or other entities are best suited for Telemedicine partnerships.

(A) The Department of Health and Human Services shall develop or continue a program to leverage the use of teaching hospitals to provide rural physician coverage by expanding the use of Telemedicine, to include new applications such as School Based Telehealth, and Tele-ICU.

(B) During the current fiscal year the Department of Health and Human Services shall contract with the MUSC Hospital Authority in the amount of \$8,000,000 to lead the development and operation of statewide open access to the South Carolina Telemedicine Network. Institutions and other entities participating in the network must be afforded the opportunity to meaningfully participate in the development of any annual refining to the initiative's strategic plan. Working with the department, the MUSC Hospital Authority shall collaborate with Palmetto Care Connections to pursue this goal. No less than \$1,000,000 of these funds shall be allocated toward support of Palmetto Care Connections and other hospitals in South Carolina. The MUSC Hospital Authority must provide the department with quarterly reports regarding the funds allocation and progress of telemedicine transformation efforts and networks. These reports must include an itemization of the ultimate recipients of these funds, whether vendors, grantees, specific participating institutions, or the Medical University of South Carolina, and must distinguish between funds allocation to the university as a participating institution as opposed to those retained and used by the university in its capacity as the administering entity for the network.

(C) The MUSC Hospital Authority shall publish a summary report to the Governor and the General Assembly indicating the overall progress of the state's telemedicine transformation by March 1, 2018.

117.138 ADD VS AMEND NEW PROVISO (Catastrophic Weather Event) WMC: ADD new proviso to direct (A) that improvements to real or personal property used as a residence, such as a mobile home or manufactured housing unit, as a result of damage from the catastrophic weather event in October 2015, made after the event and before July 1, 2018, is not considered an improvement and does not require an appraisal if it was funded through the US HUD Block Grant Disaster Recovery Program, or if at the discretion of individual counties, improvements were made with the assistance of volunteer organizations; and (B) direct property tax assessors to conform the values of eligible parcels which were improved before July 1, 2017, to the property tax value as that value may have been adjusted to reflect the provisions contained in (A). Fiscal Impact: RFAO states this provision is not expected to have an expenditure or revenue impact on the General Fund.

HOU: ADOPT new proviso.

117.138.(GP: Catastrophic Weather Event) (A) Any improvements made to real property or personal property used as a residence, such as a mobile home or manufactured housing unit, damaged during the catastrophic weather event in October 2015, after the event and before July 1, 2018, is not considered an improvement and does not require an appraisal. This provision only applies if as a result of the catastrophic weather event, the improvements made to the property were funded by the United States Department of Housing and Urban Development Block Grant - Disaster Recovery program. This provision also applies if, at the discretion of the county and using qualifications determined by the county, the improvements were made with the assistance of a volunteer organization active in disaster, or a similar volunteer organization.

(B) Property tax assessors shall conform the values of eligible parcels of property which were improved before July 1, 2017, to the property tax value of these parcels as that value may have been adjusted to reflect the above provisions of section (A). No refund is allowed on account of values adjusted as provided in this provision.

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SFC: AMEND new proviso Section (A) to add Hurricane Matthew of 2016; specify that improvements do not require a re-appraisal and Section (B) to delete the previous conformity requirement and instead direct that for the current fiscal year an eligible property's tax value shall remain the same unless an assessable transfer of interest occurs.

SEN: ADOPT new proviso as amended.

117.138.(GP: Catastrophic Weather Event) Any improvements made to real property or personal property used as a residence, such as a mobile home or manufactured housing unit, damaged during the catastrophic weather event in October 2015 or Hurricane Matthew of 2016, after the event and before June 30, 2018, is not considered an improvement and does not require a re-appraisal. This provision only applies if as a result of the catastrophic weather event, the improvements made to the property were funded by the United States Department of Housing and Urban Development Block Grant - Disaster Recovery program. This provision also applies if, at the discretion of the county and using qualifications determined by the county, the improvements were made with the assistance of a volunteer organization active in disaster, or a similar volunteer organization.

(B) During the current fiscal year, the property tax value of an eligible property shall remain the same unless an assessable transfer of interest occurs. No refund is allowed on account of values adjusted as provided in this provision.

117.139 ADD VS DELETE NEW PROVISO (Statehouse Security Body Cameras) **WMC:** ADD new proviso to require all law enforcement officers assigned to the Statehouse grounds and complex to be equipped with a body worn camera while performing their duties.

HOU: ADOPT new proviso.

117.139.(GP: Statehouse Security Body Cameras) All law enforcement officers assigned to the Statehouse grounds and complex must be equipped with a body worn camera at all times while performing their duties.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

117.139.(GP: Statehouse Security Body Cameras) DELETED

117.140 ADD VS DELETE NEW PROVISO (Land Management) **WMC:** ADD new proviso to prohibit DNR, the Forestry Commission and PRT from accepting additional properties until adequate resources have been provided to manage currently owned lands. Excludes properties whose transfer to a state agency was in process prior to July 1, 2017.

HOU: ADOPT new proviso.

117.140.(GP: Land Management) The Department of Natural Resources, Forestry Commission, and Department of Parks, Recreation and Tourism may not accept additional properties for management, donated or otherwise, until adequate resources have been provided to manage the lands currently owned. This provision shall not apply to properties whose transfer to a state agency was in process prior to July 1, 2017.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

117.140.(GP: Land Management) DELETED

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117.141 ADD VS DELETE NEW PROVISO (Study Committee on Electronic Recording of Custodial Interrogations) **WMC:** ADD new proviso to direct the Judicial Department, Court Administration Program to establish a committee to study statewide implementation of electronic recording of custodial interrogations in their entirety. Provide for the composition of the study committee; direct that Court Administration shall provide staff support; and require the committee submit its findings by March 1, 2018, to the House, Senate and Governor's Office.
HOU: ADOPT new proviso.

117.141.(GP: Study Committee on Electronic Recording of Custodial Interrogations) From the funds appropriated to and/or authorized for the Judicial Department, Court Administration Program, the department shall establish a study committee to study statewide implementation of electronic recording of custodial interrogations in their entirety. The committee shall review current written policies, practices and equipment in place at state and local law enforcement agencies for electronically recording custodial interrogations; guidelines for a state model policy on electronically recording custodial interrogations in their entirety, including definition of the term custodial interrogations, the crime categories for which custodial interrogations shall be recorded, exigent circumstances that would exempt an officer from recording an interrogation in its entirety; recommendations for how law enforcement agencies can obtain or access audiovisual or audio-only equipment to record custodial interrogations, anticipating the differences in resources available to large and small agencies; and remedies that the court may consider if a custodial interrogation is not recorded.

The study committee shall be comprised of the following:

(1) Two members of the Senate appointed by the President Pro Tempore of the Senate;

(2) Two members of the House of Representatives appointed by the Speaker of the

House;

(3) A representative appointed by the Attorney General;

(4) Chief of the State Law Enforcement Division;

(5) A representative of the South Carolina Sheriffs' Association;

(6) A representative from the South Carolina Commission on Prosecution Coordination;

(7) A representative of the South Carolina Association for Justice;

(8) A representative of the South Carolina Association of Criminal Defense Lawyers,

and

(9) A representative of the Commission on Indigent Defense.

Staff support shall be provided by Court Administration. The committee shall submit a written report of its findings and recommendations to the House of Representatives, the Senate and the Governor's Office no later than March 1, 2018.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

117.141.(GP: Study Committee on Electronic Recording of Custodial Interrogations)

DELETED

117.143 ADD VS DELETE NEW PROVISO (IBC Requirements) **WMC:** ADD new proviso to exempt high school stadiums, bleachers and grandstands from plumbing requirements contained in Section 2902.1 A-5 of the 2015 International Building Code.
HOU: ADOPT new proviso.

117.143.(GP: IBC Requirements) For Fiscal Year 2017-18, high schools shall be exempt from Section 2902.1 A-5 of the 2015 International Building Code pertaining to the minimum plumbing requirements for stadiums, bleachers and grandstands.

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SFC: ADOPT new proviso.

SEN: DELETE new proviso. *Ruled out of order.*

117.143.(GP: IBC Requirements) DELETED

- 117.144 ADD VS DELETE NEW PROVISO** (Pilot Workforce Development Centers of Excellence) **WMC:** ADD new proviso to direct the State Board for Technical and Comprehensive Education to establish Workforce Development Centers of Excellence as pilot programs to assist students in underserved communities with training, employment, and apprenticeship opportunities. Direct the centers to create a model to assist students in engaging in experiences and activities. Direct a center to enhance student engagement in the areas of Mechatronics and to establish curriculum development to provide students in bridge/transfer programs with course requirements needed to provide a seamless transition to a 4 year institution. Direct that curriculum must diversify Science, Technology, Engineering, Arts and Math modules to provide value-added academic preparation. Direct centers to provide students who successfully complete the curriculum with an industry-recognized certification. Direct that Centers of Excellence staff shall be employees of the State Board for Tech and Comp Ed.
- HOU:** ADOPT new proviso.

117.144.(GP: Pilot Workforce Development Centers of Excellence) The State Board for Technical and Comprehensive Education shall establish Workforce Development Centers of Excellence as pilot programs to assist in training, employment, and apprenticeship opportunities for students in underserved communities . The centers shall create a model to assist students in engaging in experiences and activities. The Workforce Development Centers of Excellence shall enhance student engagement in the area of Mechatronics, which will provide students with training in electronics and mechanical engineering with a focus on sustainable energy resources and shall offer hands on training, mentors from industry representatives, and career placement assistance. The Workforce Development Centers of Excellence shall also enhance the effectiveness of a seamless transition for students and establish curriculum development in order to provide students in bridge/transfer programs with the course requirements needed to transfer to a four year institution. Curriculum must diversify Science, Technology, Engineering, Arts, and Math modules by expanding to include other modules to provide value-added academic preparation. The center, in cooperation with the Department of Employment and Workforce, shall also provide assistance through client placement, case management, and identification of industries for potential employment referrals. The Centers of Excellence shall provide students who successfully complete the curriculum with an industry-recognized certification. Positions associated with the centers shall be employees of the State Board for Technical and Comprehensive Education.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

117.144.(GP: Pilot Workforce Development Centers of Excellence) DELETED

- 117.145 ADD VS DELETE NEW PROVISO** (Fuel Pump Inspection) **WMC:** ADD new proviso to suspend Section 12-28-2355(C) [INSPECTION AND ENVIRONMENTAL IMPACT FEE CHARGED ON PETROLEUM PRODUCTS] and direct all affected revenues to be credited to the State Highway Fund to be used exclusively for repair, maintenance and improvement of the existing transportation system.
- HOU:** ADOPT new proviso.

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117.145.(GP: Fuel Pump Inspection) For the current fiscal year, Section 12-28-2355(C) of the 1976 Code shall be suspended. All affected revenues must be credited to the State Highway Fund at the Department of Transportation to be used exclusively for repair, maintenance and improvement of the existing transportation system.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

117.145.(GP: Fuel Pump Inspection) DELETED

- 117.146 ADD VS DELETE NEW PROVISO (SCRS & PORS Rates) WMC:** ADD new proviso to direct that for FY 2017-18 the contribution rate for SCRS shall be 12.56% for employers and 9% for employees and for PORS shall be 15.24% for employers and 9.75% for employees. Direct that these funds are in lieu of an additional employer contribution increase and is equivalent to a 1% increase for state, local and school district employers that participate in the systems.
HOU: ADOPT new proviso.

117.146.(GP: SCRS & PORS Rates) For Fiscal Year 2017-18, the contribution rate for the South Carolina Retirement System shall be 12.56 percent for employers and 9 percent for employees and the contribution rate for the Police Officer Retirement System shall be 15.24 percent for employers and 9.75 percent for employees.

The funds appropriated to the Public Employee Benefit Authority for the South Carolina Retirement System Trust Fund and the Police Officer Retirement System Trust Fund in Part IA, Section 108 of this act is in lieu of an additional contribution increase for employers. This supplemental appropriation is equivalent to a one percent increase for all state, local, and school district employers participating in the two systems.

SFC: DELETE new proviso. See Proviso 106.1.

SEN: ADOPT deletion of new proviso.

117.146.(GP: SCRS & PORS Rates) DELETED

- 117.148 ADD VS DELETE NEW PROVISO (Statewide Contract Usage and Administrative Fees) HOU:** ADD new proviso to direct SFAA to provide and release via the agency's website, a report of all aggregate amounts of contract usage and administrative fees due and collected in the prior fiscal year. Provide for report requirements. Direct the report be submitted to Chairman of the Senate Finance Committee and to members of the House Ways and Means Committee by September 1st. Sponsor: Rep. Cobb-Hunter.

117.148.(GP: Statewide Contract Usage and Administration Fees) In order to promote accountability and transparency, the State Fiscal Accountability Authority must provide and release to the public via the agency's website, a report of all aggregate amounts of contract usage and administrative fees that were due and collected by the authority in the prior fiscal year. The report shall include, but not be limited to: (1) contract name; (2) solicitation number; (3) vendor name and address; (4) vendor number; (5) total sales reported per vendor; (6) total administrative fee due per vendor; (7) total administrative fee collected per vendor; (8) total administrative fee outstanding per vendor; and (9) purchasing agency name and address. This report shall include any state contract for which usage/administrative fees are required from vendors or agencies. The report must be posted online and be submitted to the Chairman of the Senate Finance Committee and to members of the House Ways and Means Committee by

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September 1st. Funds appropriated to and/or authorized for use by the State Fiscal Accountability Authority shall be used to accomplish this directive.

SFC: DELETE new proviso.

SEN: ADOPT deletion of new proviso.

117.148.(GP: Statewide Contract Usage and Administration Fees) DELETED

117.149 AMEND NEW PROVISO (Higher Education Organizational Structure Study Committee)

SFC: ADD new proviso to create the Higher Education Organizational Structure Study Committee to review the current roles and responsibilities of CHE in order to clarify its advocacy, regulatory, and/or oversight responsibilities and to make recommendations on the future growth of higher education and coordination of such growth between institutions to ensure the viability of the institutions to meet future workforce demands. Provide for the composition of the study committee. Require findings and recommendations be submitted to the General Assembly by December 31, 2017.

SEN: AMEND new proviso item (7) to authorize the four-year independent college president to appoint a designee. Direct that members serve without compensation but are entitled to the usual per diem and mileage; direct that the Speaker of the House and President Pro Tem of the Senate or their designees serve as Co-Chairmen of the committee and are to convene a meeting as soon as all members have been appointed; direct that staff support is to be provided by CHE and the House Education and Public Works and Senate Education Committees; and direct that findings and recommendations be submitted to the General Assembly by December 31, 2017. Sponsor: Sen. Scott.

117.149.(GP: Higher Education Organizational Structure Study Committee) Of the funds appropriated to the Commission on Higher Education, there is created a Higher Education Organizational Structure Study Committee. The purpose of the study committee shall be to review the current roles and responsibilities of the Commission on Higher Education in order to provide clarity regarding its advocacy, regulatory and/or oversight responsibilities as well as to make recommendations regarding the future growth of higher education within this state, and the coordination of that growth between our state's institutions of higher learning to ensure the viability of those institutions going forward in order to meet the state's future workforce demands. The study committee shall be composed of members appointed as follows:

(1) the Speaker of the House of Representatives or his designee;

(2) the President Pro Tempore of the Senate or his designee;

(3) both the Majority Leader of the House of Representatives and the Senate respectively, or their designees;

(4) both the Minority Leader of the House of Representatives and the Senate respectively, or their designees;

(5) the Governor who shall appoint a president of a South Carolina Historically Black College or University;

(6) the Chairman of the Commission on Higher Education or his designee;

(7) the Board of Trustees of the South Carolina Independent Colleges and Universities Association who shall appoint a president of a four-year independent college or his designee;

(8) a public research university president selected by a majority vote of the Council of Presidents as defined in Section 59-103-40 of the 1976 Code;

(9) a public comprehensive college or university president selected by a majority vote of the Council of Presidents as defined in Section 59-103-40 of the 1976 Code;

(10) a public technical college president selected by a majority vote of the Council of Presidents as defined in Section 59-103-40 of the 1976 Code; and

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(11)a chief financial officer of a public college or university, including a technical college, selected by a majority vote of the Council of Presidents as defined in Section 59-103-40 of the 1976 Code.

Members of the committee shall serve without compensation, but are allowed the usual per diem and mileage as provided by law for members of boards, commissions, and committees while on official business.

The Speaker of the House of Representatives and the President Pro Tempore of the Senate or their designees shall serve as Co-Chairmen of the committee and shall convene a meeting as soon as practicable after all appointees have been named.

Staff support shall be provided by the Commission on Higher Education, the House Education and Public Works Committee, and the Senate Education Committee. The committee shall provide findings and recommendations to the General Assembly on or before December 31, 2017.

- 117.150 ADD (Governance Summit) SEN:** ADD new proviso to direct the Board of Trustees Chairman, or their designee, of each state supported comprehensive and research institution of higher learning to jointly convene a summit to facilitate an exchange of ideas to encourage diversification and qualification among these boards over time. Direct the summit to convene as soon as practicable after July 1, 2017. Direct findings from the summit be forwarded electronically to the General Assembly's Joint Legislative Committee to Screen Candidates for College and University Boards of Trustees by January 1, 2018. Direct each institution provide a copy of their audited financial statement to the General Assembly no later than seven days after it has been submitted to the Comptroller General and to post the statement and their external and internal budget development processes on their website. Direct that a link to the posting be provided to the Chairmen of the Senate Finance, Senate Education, House Ways and Means and House Education and Public Works Committees. Sponsor: Sen. Goldfinch.

117.150.(GP: Governance Summit) In the current fiscal year and from the funds appropriated to each state-supported comprehensive and research institution of higher learning, the chairman of each institution's Board of Trustees, or their designees, shall jointly convene a summit for the sole purpose of facilitating an exchange of ideas, including best-practices, which are designed to encourage increasingly diversified and qualified membership among these boards over time. The summit shall convene as soon as practicable after July 1, 2017. In lieu of printed copies, findings and recommendations from the summit must be forwarded electronically to both the General Assembly's Joint Legislative Committee to Screen Candidates for College and University Boards of Trustees established pursuant to Section 2-20-10 of the 1976 Code and the Commission on Higher Education no later than January 1, 2018. In addition, each state-supported institution of higher learning shall provide the members of the General Assembly a copy of its audited financial statement no later than seven days following its submission of the same to the state Office of Comptroller General as required by law. Furthermore, on a conspicuous place on its website, each state-supported institution of higher learning shall post a full copy of its audited financial statement, along with a detailed description of the institution's external and internal budget development processes, to include the manner in which the institution monitors variance, if any, between budgeted income and expense versus actual income and expense during the fiscal year as well as what processes the institution utilizes to develop, oversee and evaluate the budgetary performance of each of the institution's designated budgetary units during the fiscal year. A link to a copy of the contents of the website posting must be provided to the Chairman of the Senate Finance Committee, the Chairman of the Senate Education Committee, the Chairman of the House Ways and Means Committee, and the Chairman of the House Education and Public Works Committee.

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117.151 ADD (SCRS & PORS Contribution Rates) **HOU2:** AMEND House version to ADD new proviso to direct that if the employer contribution rates for SCRS and PORS increase by more than one percentage point for FY 2017-18, the funds appropriated to PEBA for SCRS and PORS Trust Funds shall be credited toward the contributions due from participating employers on the basis of the Employer Allocation Percentage of the SCRS and PORS Net Pension Liability as determined by PEBA as of June 30, 2016. Prohibit a participating employer from receiving a credit that exceeds the employer contributions due. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire. *Note: Proviso was 117.149 in HOU2 version.*

117.151.(GP: SCRS & PORS Contribution Rates) If the employer contribution rates for the South Carolina Retirement System (SCRS) and the Police Officers' Retirement System (PORS) increase by more than one percentage point for Fiscal Year 2017-18, the funds appropriated to the Public Employee Benefit Authority (PEBA) for the South Carolina Retirement System Trust Fund and the Police Officers' Retirement System Trust Fund in Part IA, Section 108 of this act shall be credited toward the contributions due from participating employers in SCRS and PORS for Fiscal Year 2017-18. These funds shall be credited to participating employers on the basis of the Employer Allocation Percentage of the SCRS and PORS Net Pension Liability as determined by PEBA as of June 30, 2016, for the purposes of compliance with GASB Statement No. 68. In no event shall a participating employer receive a credit that exceeds the employer contributions due from the employer.

117.152 ADD (Retirement System Assets and Custodial Banking Relationship Transfer) **HOU2:** AMEND House version to ADD new proviso to direct that in order to facilitate the transfer of custodianship of Retirement System assets to PEBA and governance of the custodial banking relationship to the RSIC, certain functions and services are devolved upon PEBA and RSIC. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire. *Note: Proviso was 117.150 in HOU2 version.*

117.152.(GP: Retirement System Assets and Custodial Banking Relationship Transfer) In order to facilitate the transfer of custodianship of the assets of the Retirement System to the Public Employee Benefit Authority and governance of the custodial banking relationship to the Retirement System Investment Commission, all portions of contracts, agreements, and exemptions from the Consolidated Procurement Code providing for and relating to custodial banking, general banking, accounting, or any other ancillary services are transferred to, and devolved upon, the Public Employee Benefit Authority and the Retirement System Investment Commission in accordance with the authority transferred to the respective agency.

SECTION 118 - X910 - STATEWIDE REVENUE

118.14 AMEND NEW PROVISO FURTHER (Nonrecurring Revenue) **WMC:** ADD new proviso to (A) appropriate non-recurring revenue for FY 2017-18 generated from FY 2016-17 unobligated general fund revenue certified by the BEA, the Litigation Recovery Account, the S.C. Farm Aid Fund Lapse, FY 2016-17 Excess Homestead Exemption, and FY 2016-17 Conservation Bank Subfund 45D7 Carry Forward; (B) appropriate funds to various agencies for specific purposes; add item (1.1) to direct PRT to allocate the \$5,000,000 appropriated for Statewide Coastal Beach Renourishment to local governments and state agencies for beach renourishment to repair damage caused by 2015 and 2016 storms; provide for an application process; and require PRT report to the Governor and the Chairmen of the House Ways and Means and Senate Finance Committees by September 1, 2017 on the applications received and the funding prioritization; add item (4.1) to direct that the \$4,000,000 to HHS for the Rural Hospital Transformation Plan may only be used for site improvements associated with a HHS approved

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hospital transformation plan; and (C) authorize unexpended funds to be carried forward and spent for the same purpose.

HOU: AMEND new proviso to combine Litigation Recovery Account revenue items (A)(2) and (3) into (A)(2); amend allocations under item (B)(1) PRT to add \$6,000,000 for PARD Fund; and delete item (B)(12) \$6,000,000 to DOA for Competitive Grants. Sponsor: Rep. White.

HOU2: AMEND House version to change certain funding items and add additional items. Sponsors: Reps. White, Cole, Herbkersman, Loftis, Pitts, Simrill, GM Smith, and Whitmire.

118.14. (SR: Nonrecurring Revenue) (A) The source of revenue appropriated in subsection (B) is nonrecurring revenue generated from the following sources:

(1) \$28,496,108 from Fiscal Year 2016-17 unobligated general fund revenue as certified by the Board of Economic Advisors;

(2) \$16,183,789 from the Litigation Recovery Account;

(3) \$ 4,526,031 from the South Carolina Farm Aid Fund Lapse;

(4) \$ 7,879,103 from Fiscal Year 2016-17 (X440) Excess Homestead Exemption; and

(5) \$ 6,640,817 from Fiscal Year 2016-17 (P400) S.C. Conservation Bank, Subfund 45D7 Carry Forward.

Any restrictions concerning specific utilization of these funds are lifted for the specified fiscal year. The above agency transfers shall occur no later than thirty days after the close of the books on Fiscal Year 2016-17 and shall be available for use in Fiscal Year 2017-18.

This revenue is deemed to have occurred and is available for use in Fiscal Year 2017-18 after September 1, 2017, following the Comptroller General's close of the state's books on Fiscal Year 2016-17.

(B) The appropriations in this provision are listed in priority order. Item (1) must be funded first and each remaining item must be fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available.

The State Treasurer shall disburse the following appropriations by September 30, 2017, for the purposes stated:

(1) P280 - Department of Parks, Recreation and Tourism

(a) Statewide Coastal Beach Renourishment.....\$ 5,000,000

(b) Hurricane Matthew Revenue Loss\$ 2,238,206

(c) Parks, Recreational and Tourism Revitalizations.....\$ 1,000,000

(d) Parks, Recreation Development Fund.....\$ 3,000,000

(1.1)The Department of Parks, Recreation and Tourism shall allocate the funds appropriated in item (1)(a) for Statewide Coastal Beach Renourishment to local governments and state agencies for beach renourishment activities to repair damage caused by storm activity in 2015 and 2016 and to accelerate routine renourishment activities on beaches damaged by the storms. Local governments and state agencies shall make application for renourishment funds on a form and in the manner prescribed by the department and funds shall be allocated using a prioritization process developed by the department. The department shall report to the Governor, the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee on applications received and the process for prioritizing renourishment funding no later than September 1, 2017.

(2) P320 - Department of Commerce

(a) Closing Fund.....\$ 16,100,000

(b) 2015 Flood - Non-CDBG - Disaster Recovery\$ 250,000

(c) LocateSC\$ 8,000,000

(d) Applied Research Centers\$ 2,000,000

(e) Military Base Task Force\$ 300,000

(f) IT-ology/Coursepower\$ 200,000

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<u>(3) P400 - S.C. Conservation Bank</u>	
<u>Conservation Bank Trust</u>	<u>\$ 1</u>
<u>(4) J020 - Department of Health and Human Services</u>	
<u>(a) Rural Hospital Transformation Plan</u>	<u>\$ 4,000,000</u>
<u>(b) Medical Contracts</u>	<u>\$ 4,900,000</u>
<u>(4.1) The funds appropriated to the Department of Health and Human Services in item (4)(a) for the Rural Hospital Transformation Plan may only be utilized for site improvements associated with a hospital transformation plan approved by the Department of Health and Human Services.</u>	
<u>(5) J040 - Department of Health and Environmental Control</u>	
<u>(a) Water Quality</u>	<u>\$ 3,100,000</u>
<u>(b) Pinewood Site Leachate Recovery</u>	<u>\$ 1,848,000</u>
<u>(6) P120 - Forestry Commission</u>	
<u>Firefighter Safety and Public Protection - Equipment</u>	<u>\$ 1,000,000</u>
<u>(7) D100 - State Law Enforcement Division</u>	
<u>Counter Terrorism/Arson Operating Expenses</u>	<u>\$ 448,000</u>
<u>(8) P160 - Department of Agriculture</u>	
<u>Consumer Protection and Safety Equipment</u>	<u>\$ 500,000</u>
<u>(9) L040 - Department of Social Services</u>	
<u>Group Home Transition</u>	<u>\$ 500,000</u>
<u>(10) R400 - Department of Motor Vehicles</u>	
<u>(a) Annual Leave Payouts</u>	<u>\$ 140,000</u>
<u>(b) Disaster Recovery Integration</u>	<u>\$ 500,000</u>
<u>(11) E240 - Office of Adjutant General</u>	
<u>Youth Challenge - POST Challenge</u>	<u>\$ 500,000</u>
<u>(12) E200 - Office of the Attorney General</u>	
<u>ICAC Equipment, Training, and Operations</u>	<u>\$ 150,000</u>
<u>(13) U300 - Division of Aeronautics</u>	
<u>(a) Security System</u>	<u>\$ 100,000</u>
<u>(b) Airline Recruitment and Retention</u>	<u>\$ 150,000</u>
<u>(14) H750 - School for the Deaf and the Blind</u>	
<u>Campus Facility Plan</u>	<u>\$ 150,000</u>
<u>(15) H710 - Wil Lou Gray Opportunity School</u>	
<u>(a) Underground Utilities</u>	<u>\$ 100,000</u>
<u>(b) HVAC</u>	<u>\$ 80,000</u>
<u>(16) A170 - Legislative Services</u>	
<u>IT Disaster Recovery</u>	<u>\$ 500,000</u>
<u>(17) R080 - Workers' Compensation Commission</u>	
<u>IT Division - Legacy System Modernization</u>	<u>\$ 189,488</u>
<u>(18) H790 - Department of Archives and History</u>	
<u>Conservation of South Carolina's Constitutions</u>	<u>\$ 200,000</u>
<u>(19) N200 - Law Enforcement Training Council</u>	
<u>Criminal Justice Academy</u>	
<u>Dining Hall Furniture</u>	<u>\$ 51,975</u>
<u>(20) H870 - State Library</u>	
<u>Building Maintenance</u>	<u>\$ 90,000</u>
<u>(21) H630 - Department of Education</u>	
<u>GSAH - Core Switch Replacement</u>	<u>\$ 60,000</u>
<u>(22) R520 - State Ethics Commission</u>	
<u>(a) Additional Office Space/Rent Increase</u>	<u>\$ 15,000</u>
<u>(b) New Administrative Assistants Operating Expenses</u>	<u>\$ 10,000</u>

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<u>(23) K050 - Department of Public Safety</u>	
<u>Local Law Enforcement Grants.....</u>	<u>\$ 1,450,000</u>
<u>(24) H730 - Department of Vocational Rehabilitation</u>	
<u>Lander Equestrian Center PTSD Pilot.....</u>	<u>\$ 500,000</u>
<u>(25) P280 - Department of Parks, Recreation and Tourism</u>	
<u>Parks Infrastructure Needs.....</u>	<u>\$ 4,000,000</u>
<u>(26) P240 - Department of Natural Resources</u>	
<u>Outreach Programs.....</u>	<u>\$ 400,000</u>
<u>(27) D100 - State Law Enforcement Division</u>	
<u>(a) Forensics Equipment.....</u>	<u>\$ 1</u>
<u>(b) Alcohol Enforcement/Narcotics Equipment.....</u>	<u>\$ 1</u>
<u>(c) First Responder PTSD Treatment.....</u>	<u>\$ 1</u>
<u>(28) P160 - Department of Agriculture</u>	
<u>Agribusiness Development.....</u>	<u>\$ 1</u>
<u>(29) Y140 - State Ports Authority</u>	
<u>Jasper Ocean Terminal, Channel, and Supporting</u>	
<u>Infrastructure.....</u>	<u>\$ 1</u>
<u>(30) E240 - Office of Adjutant General</u>	
<u>(a) EMD-Hazard Mitigation Planning Grant and</u>	
<u>Enhanced Emergency Services.....</u>	<u>\$ 1</u>
<u>(b) SC Military Museum.....</u>	<u>\$ 1</u>
<u>(c) Shaw Airforce Base/City of Sumter Main Gate</u>	
<u>Refurbishment.....</u>	<u>\$ 1</u>
<u>(d) Town of Nichols Loan.....</u>	<u>\$ 1</u>
<u>(e) 2014 Winter Storm Local Matching Funds.....</u>	<u>\$ 1</u>
<u>(f) SC State Guard Uniforms.....</u>	<u>\$ 1</u>
<u>(31) E280 - Election Commission</u>	
<u>Refresh of Current Statewide Voting System.....</u>	<u>\$ 1</u>

(C) Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

SFC: AMEND FURTHER Section (A) to change revenue sources by deleting \$6,640,817 from Conservation Bank carry forward and add \$13,397,132 for FY 2016-17 Debt Service Lapse and \$17,800,000 redirected from FY 2016-17 SLED Forensic Building. Direct SLED to lapse the funds to the General Fund. Amend Section (B) to appropriate funds to various agencies for specific purposes; add item (14.1) to direct that the \$700,000 appropriated to the Adjutant General for the Town of Nichols Loan is to be used for recovery expenses associated with Hurricane Matthew; direct the town to apply for federal disaster relief funds and to repay the loan with any disaster relief funds they receive; and provide for loan forgiveness under certain conditions; add item (14.2) to direct that the \$3,826,032 appropriated to the Adjutant General for 2014 Winter Storm Local Matching Funds be disbursed to eligible counties and municipalities to offset storm clean up expenses.

SEN: AMEND FURTHER item (14)(c) SC Military Museum to change “\$760,000” to “\$660,000” allocate \$100,000 to SC State Guard Uniforms. Sponsor: Sen. Goldfinch.

AMEND FURTHER to direct that \$10,600,000 of any unobligated FY 2016-17 General Fund surplus revenues realized that are above the amounts certified by the BEA are to be allocated to Statewide Employee Benefits to provide a \$500 bonus to full-time employees who earn \$50,000 or less and who have been in continuous state service for at least 6 months prior to July 1, 2017. Direct the bonus be paid in a one-time lump sum effective on the first pay date that occurs on or after October 16, 2017. Provide for the bonus to be reduced if sufficient funds are not available for a \$500 bonus, however direct that the bonus shall not be provided if it would be less than

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\$100 and that the funds shall lapse to the general fund. Sponsors: Sens. Jackson, Massey, Setzler, et al.

118.14. (SR: Nonrecurring Revenue) (A) The source of revenue appropriated in subsection (B) is nonrecurring revenue generated from the following sources:

(1) \$28,496,108 from Fiscal Year 2016-17 unobligated general fund revenue as certified by the Board of Economic Advisors;

(2) \$16,183,789 from the Litigation Recovery Account;

(3) \$ 4,526,031 from the South Carolina Farm Aid Fund Lapse;

(4) \$ 7,879,103 from Fiscal Year 2016-17 (X440) Excess Homestead Exemption;

(5) \$13,397,132 from Fiscal Year 2016-17 Debt Service Lapse; and

(6) \$17,800,000 redirected from Fiscal Year 2016-17 (D100) State Law Enforcement Division Forensic Building. The State Law Enforcement Division shall lapse to the General Fund the funds appropriated in Act 284 of 2016 by proviso 118.16, item (B)(31)(a) for a Forensic Building.

Any restrictions concerning specific utilization of these funds are lifted for the specified fiscal year. The above agency transfers shall occur no later than thirty days after the close of the books on Fiscal Year 2016-17 and shall be available for use in Fiscal Year 2017-18.

This revenue is deemed to have occurred and is available for use in Fiscal Year 2017-18 after September 1, 2017, following the Comptroller General's close of the state's books on Fiscal Year 2016-17.

(B) The appropriations in this provision are listed in priority order. Item (1) must be funded first and each remaining item must be fully funded before any funds are allocated to the next item. Provided, however, that any individual item may be partially funded in the order in which it appears to the extent that revenues are available.

The State Treasurer shall disburse the following appropriations by September 30, 2017, for the purposes stated:

(1) F310 - General and Capital Reserve Funds

General Reserve Fund Contribution.....\$ 15,532,616

(2) P280 - Department of Parks, Recreation and Tourism

(a) Statewide Coastal Beach Renourishment.....\$ 7,500,000

(b) Hurricane Matthew Revenue Loss\$ 2,238,206

(c) Parks, Recreational and Tourism Revitalizations.....\$ 6,175,000

(d) Parks Recreation Development Fund.....\$ 3,000,000

(e) Parks Infrastructure Needs\$ 1,000,000

(f) African American Museum.....\$ 5,000,000

(2.1) The Department of Parks, Recreation and Tourism shall allocate the funds appropriated in item (2)(a) for Statewide Coastal Beach Renourishment to local governments and state agencies for beach renourishment activities to repair damage caused by storm activity in 2015 and 2016 and to accelerate routine renourishment activities on beaches damaged by the storms. Local governments and state agencies shall make application for renourishment funds on a form and in the manner prescribed by the department and funds shall be allocated using a prioritization process developed by the department. The department shall report to the Governor, the Chairman of the House Ways and Means Committee and the Chairman of the Senate Finance Committee on applications received and the process for prioritizing renourishment funding no later than September 1, 2017.

(3) P320 - Department of Commerce

(a) Closing Fund.....\$ 5,200,000

(b) 2015 Flood - Non-CDBG - Disaster Recovery\$ 250,000

(c) LocateSC\$ 4,000,000

(d) Applied Research Centers\$ 2,000,000

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	<u>(e) Military Base Task Force</u>	<u>\$ 500,000</u>
	<u>(f) IT-ology/Coursepower</u>	<u>\$ 300,000</u>
<u>(4) P400 - S.C. Conservation Bank</u>		
	<u>Conservation Bank Trust</u>	<u>\$ 5,000,000</u>
<u>(5) J020 - Department of Health and Human Services</u>		
	<u>(a) Rural Hospital Transformation Plan</u>	<u>\$ 4,000,000</u>
	<u>(b) Medical Contracts</u>	<u>\$ 4,900,000</u>
<u>(5.1) The funds appropriated to the Department of Health and Human Services in item (5)(a) for the Rural Hospital Transformation Plan may only be utilized for site improvements associated with a hospital transformation plan approved by the Department of Health and Human Services.</u>		
<u>(6) J040 - Department of Health and Environmental Control</u>		
	<u>(a) Water Quality</u>	<u>\$ 3,100,000</u>
	<u>(b) Pinewood Site Leachate Recovery</u>	<u>\$ 100,000</u>
<u>(7) P120 - Forestry Commission</u>		
	<u>Firefighter Safety and Public Protection - Equipment</u>	<u>\$ 1,000,000</u>
<u>(8) D100 - State Law Enforcement Division</u>		
	<u>(a) Forensics Equipment.....</u>	<u>\$ 176,600</u>
	<u>(b) Counter Terrorism/Arson Equipment.....</u>	<u>\$ 282,471</u>
	<u>(c) Alcohol Enforcement/Narcotics Equipment</u>	<u>\$ 150,000</u>
	<u>(d) First Responder PTSD Treatment</u>	<u>\$ 500,000</u>
<u>(9) E280 - Election Commission</u>		
	<u>Refresh of Current Statewide Voting System</u>	<u>\$ 5,000,000</u>
<u>(10) Y140 - State Ports Authority</u>		
	<u>Jasper Ocean Terminal, Channel, and Supporting Infrastructure.....</u>	<u>\$ 1,000,000</u>
<u>(11) P160 - Department of Agriculture</u>		
	<u>Agribusiness Development.....</u>	<u>\$ 250,000</u>
<u>(12) L040 - Department of Social Services</u>		
	<u>Group Home Transition - Wraparound Services.....</u>	<u>\$ 500,000</u>
<u>(13) R400 - Department of Motor Vehicles</u>		
	<u>(a) Annual Leave Payouts.....</u>	<u>\$ 140,000</u>
	<u>(b) Disaster Recovery Integration.....</u>	<u>\$ 500,000</u>
<u>(14) E240 - Office of Adjutant General</u>		
	<u>(a) Youth Challenge - POST Challenge.....</u>	<u>\$ 500,000</u>
	<u>(b) EMD-Hazard Mitigation Planning Grant and Enhanced Emergency Services</u>	<u>\$ 580,000</u>
	<u>(c) SC Military Museum.....</u>	<u>\$ 660,000</u>
	<u>(d) Shaw Airforce Base/City of Sumter Main Gate Refurbishment</u>	<u>\$ 150,000</u>
	<u>(e) Town of Nichols Loan</u>	<u>\$ 700,000</u>
	<u>(f) 2014 Winter Storm Local Matching Funds</u>	<u>\$ 3,826,031</u>
	<u>(g) SC State Guard Uniforms.....</u>	<u>\$ 100,000</u>

(14.1) The funds appropriated to the Office of Adjutant General in item (14)(e) for Town of Nichols Loan, shall be used for recovery expenses associated with the aftermath of Hurricane Matthew, including, but not limited to, the repair or replacement of equipment, vehicles, and physical infrastructure. Upon receipt of the loan, the Town of Nichols shall apply for any and all sources of federal disaster relief funds. The Town of Nichols shall repay the \$700,000 loan, free of interest, to the State Treasurer with the federal disaster relief funds within ninety days of receipt. However, if the Town of Nichols has not received federal funds to repay the loan at the close of thirty-six months after receiving the loan, the loan shall be forgiven.

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(14.2) The funds appropriated to the Office of Adjutant General in item (14)(f) for 2014 Winter Storm Local Matching Funds, shall be disbursed to eligible counties and municipalities to offset storm cleanup expenses associated with the 2014 Winter Storm during states of emergency declared by Executive Orders 2014-06 and 2014-11. A county or municipality is eligible for disbursement if the county or municipality was eligible for reimbursement by the Federal Emergency Management Agency (FEMA), but was not reimbursed due to local match requirements. The amount reimbursed to each eligible county or municipality shall not exceed more than thirty-three percent of the county or municipality's remaining unreimbursed total non-federal aid share from the 2014 Winter Storm.

<u>(15) E200 - Office of the Attorney General</u>	
ICAC Equipment, Training, and Operations	\$ 150,000
<u>(16) U300 - Division of Aeronautics</u>	
(a) Security System.....	\$ 100,000
(b) Airline Recruitment and Retention	\$ 1
<u>(17) H750 - School for the Deaf and the Blind</u>	
Campus Facility Plan	\$ 150,000
<u>(18) H710 - Wil Lou Gray Opportunity School</u>	
(a) Underground Utilities	\$ 100,000
(b) HVAC	\$ 80,000
<u>(19) A170 - Legislative Services</u>	
IT Disaster Recovery	\$ 500,000
<u>(20) H790 - Department of Archives and History</u>	
(a) Conservation of South Carolina's Constitutions.....	\$ 200,000
(b) Charleston Library Society Beaux Arts Building	\$ 100,000
<u>(21) H870 - State Library</u>	
Building Maintenance.....	\$ 90,000
<u>(22) H630 - Department of Education</u>	
GSAH - Core Switch Replacement.....	\$ 60,000
<u>(23) R520 - State Ethics Commission</u>	
(a) Additional Office Space/Rent Increase.....	\$ 15,000
(b) New Administrative Assistants Operating Expenses	\$ 10,000
<u>(24) K050 - Department of Public Safety</u>	
Local Law Enforcement Grants.....	\$ 100,000
<u>(25) N080 - Department of Probation, Parole and Pardon Services</u>	
Offender Education and Reentry Initiative.....	\$ 50,000
<u>(26) H730 - Department of Vocational Rehabilitation</u>	
Lander Equestrian Center PTSD Pilot	\$ 100,000
<u>(27) P240 - Department of Natural Resources</u>	
Outreach Programs	\$ 400,000
<u>(28) R360 - Department of Labor, Licensing and Regulation</u>	
Grants to Local Fire Districts	\$ 200,000

(C) The source of revenue appropriated in this subsection is unobligated Fiscal Year 2016-17 General Fund surplus revenues collected above the amounts certified by the Board of Economic Advisors. This item may be partially funded in the order in which it appears to the extent that revenues are available.

The State Treasurer shall disburse the following appropriations by September 30, 2017, for the purposes stated:

<u>(1) F300-Statewide Employee Benefits</u>	
Employee Bonus.....	\$ 10,600,000

(1.1) From the funds appropriated to Statewide Employee Benefits for Bonus Pay, effective on the first pay date that occurs on or after October 16, 2017, the Department of

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Administration shall allocate to state agencies \$10,600,000 to provide for a one-time lump sum bonus. Each permanent state employee, in a full-time equivalent position, who has been in continuous state service for at least six months prior to July 1, 2017, and who earns \$50,000 or less, shall receive a \$500 one-time lump sum payment. This payment is not a part of the state employee's base salary and is not earnable compensation for purposes of employer or employee contributions to respective retirement systems. This appropriation may be used for payments to employees only in the same ratio as the employee's base salary is paid from appropriated sources and the employing agency shall pay the bonus for federal and other funded full-time equivalent positions employees from federal or other funds available to the agency in the proportion that such funds are the source of the employee's salary. The earnings limitation in Proviso 117.55 of this act do not apply to this bonus.

(1.2) Notwithstanding any other provision of this section, if the unobligated surplus revenues are not sufficient to provide a \$500 bonus, the bonus for each qualifying employee shall be reduced equally. However, if the revenues are not sufficient to provide at least a \$100 bonus, then the provisions of this item do not apply, and the revenues shall lapse to the general fund.

(D) Unexpended funds appropriated pursuant to this provision may be carried forward to succeeding fiscal years and expended for the same purposes.

PART II

SEC 1 ADD (Code Commission) **HOU2:** ADD new Part II to direct the Code Commissioner to include permanent general laws in the Code of Laws.

SECTION 1

The Code Commissioner is directed to include all permanent general laws in this Part in the next edition of the Code of Laws of South Carolina, 1976, and all supplements to the Code.

SEC 2 ADD (Motor Fuel User Fee) **HOU2:** ADD new Part II to pertaining to the Department of Transportation and Motor User Fuel Fee as follows:

Governance Reform: All DOT Highway Commissioners are appointed by the Governor with Advice and Consent of the General Assembly; Retains required qualifications of Commissioners; and Eliminates the Joint Transportation Review Committee;

Creates a new Infrastructure Maintenance Trust Fund for DOT: Infrastructure Maintenance Trust Fund may only be used for "repairs, maintenance, and improvements to the existing transportation system;"

Clean up language for Act 275: Clarifies that DOT determines how and when funds are transferred to other entities;

Motor Fuel User Fee: Increase of 10 cents/gallon - 2 cents/year over a 5 year period;

C-Funds: In years 2-5 of the user fee increase, the C-Fund will receive an increase of .3325 cents of the new revenue; Estimated \$52 M increase by year five; C-Fund would increase from current 2.66 to 3.99 cents of the motor fuel user fee;

Registration Fee: Biennial Motor Vehicle Registration Fee - \$16 increase;

Infrastructure Maintenance Fee: Establishes an Infrastructure Maintenance Fee (1 time 5%) must be paid prior to registration; \$500 cap applied to vehicles purchased in SC - collected by dealers at point of sale; \$250 cap applied to vehicles registered in other states & then registered in SC; Active Duty Military, Spouses and Dependents are exempt from the \$250 transfer fee; EIA is held harmless with no changes to current revenue (20% of revenues from first \$300);

Hybrid and Electric Vehicles: Biennial Fee - \$60 fee for Hybrids - \$120 fee for Electric Vehicles;

Motor Carrier Road Use Fee: Imposed in lieu of property taxes on Large Commercial Vehicles

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SECTION 2

TO AMEND SECTION 12-28-310, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE MOTOR FUEL USER FEE, SO AS TO PHASE IN AN INCREASE OF TEN CENTS ON THE FEE OVER FIVE YEARS; TO AMEND SECTIONS 56-11-410 AND 56-11-450, BOTH RELATING TO THE ROAD TAX, SO AS TO INCREASE THE ROAD TAX IN THE SAME MANNER AS THE MOTOR FUEL USER FEE; TO AMEND SECTION 56-3-620, AS AMENDED, RELATING TO THE BIENNIAL REGISTRATION OF A MOTOR VEHICLE, SO AS TO INCREASE THE FEE FOR THE REGISTRATION; BY ADDING SECTION 56-3-627 SO AS TO REQUIRE EACH RESIDENT TO PAY AN INFRASTRUCTURE MAINTENANCE FEE UPON FIRST REGISTERING ANY VEHICLE AND CERTAIN OTHER ITEMS IN THIS STATE AND TO SPECIFY THE MANNER IN WHICH THE FEE IS CALCULATED, CREDITED, AND ADMINISTERED; BY ADDING SECTION 56-3-645 SO AS TO IMPOSE A ROAD USE FEE ON CERTAIN MOTOR VEHICLES THAT OPERATE ON FUEL THAT IS NOT SUBJECT TO THE MOTOR FUEL USER FEE; TO AMEND SECTION 12-36-2110, RELATING TO THE MAXIMUM SALES TAX, SO AS TO INCREASE THE MAXIMUM TAX ON CERTAIN ITEMS; TO AMEND SECTION 12-36-2120, AS AMENDED, RELATING TO EXEMPTIONS FROM THE STATE SALES TAX, SO AS TO EXEMPT ANY ITEM SUBJECT TO THE INFRASTRUCTURE MAINTENANCE FEE; TO AMEND SECTION 12-36-1710, RELATING TO THE CASUAL EXCISE TAX, SO AS TO PROVIDE THAT MOTOR VEHICLES AND MOTORCYCLES ARE NOT SUBJECT TO THE TAX; TO AMEND ARTICLE 23, CHAPTER 37, TITLE 12, RELATING TO MOTOR CARRIERS, SO AS TO DEFINE TERMS, TO PROVIDE THAT THE ARTICLE DOES NOT APPLY TO A SMALL COMMERCIAL VEHICLE, TO PROVIDE THAT CERTAIN VEHICLES ARE ASSESSED AND APPORTIONED BASED ON A ROAD USE FEE INSTEAD OF PROPERTY TAXES, TO PROVIDE THAT THE ROAD USE FEE IS DUE AT THE SAME TIME AS REGISTRATION FEES, TO PROVIDE FOR THE DISTRIBUTION OF THE ROAD USE FEE, AND TO EXEMPT CERTAIN SEMITRAILERS, TRAILERS, LARGE COMMERCIAL MOTOR VEHICLES, AND BUSES FROM AD VALOREM TAXATION; TO AMEND SECTIONS 57-1-310 THROUGH 57-1-330, ALL AS AMENDED, RELATING TO THE COMMISSION OF THE DEPARTMENT OF TRANSPORTATION, SO AS TO PROVIDE THAT ALL APPOINTMENTS TO THE COMMISSION ARE SUBJECT TO THE ADVICE AND CONSENT OF THE GENERAL ASSEMBLY AND SERVE AT THE PLEASURE OF THE GOVERNOR, AND TO DELETE A PROVISION THAT REQUIRES EACH APPOINTMENT BE REFERRED TO THE LEGISLATIVE DELEGATION; TO AMEND SECTION 12-28-2355, RELATING TO AN INSPECTION FEE, SO AS TO PROVIDE THAT THE ENTIRE FEE MUST BE CREDITED TO THE STATE NON-FEDERAL AID HIGHWAY FUND; AND TO AMEND SECTION 12-28-2740, RELATING TO THE DISTRIBUTION OF THE MOTOR FUEL USER FEE TO COUNTY TRANSPORTATION COMMITTEES, SO AS TO INCREASE THE AMOUNT DISTRIBUTED TO EACH COMMITTEE.

A. Section 57-11-20(A) of the 1976 Code is amended to read:

“(A)(1) All state revenues and state monies dedicated by statute to the operation of the department must be deposited into either the ‘State Highway Fund’, ~~or~~ the ‘State Non-Federal Aid Highway Fund’ or the ‘Infrastructure Maintenance Trust Fund’. ~~Both~~ All funds must be held and managed by the State Treasurer separate and distinct from the general fund, except as to monies utilized by the State Treasurer for the payment of principal or interest on state highway

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bonds as provided by law. Interest income from the State Highway Fund must be deposited to the credit of the State Highway Fund. Interest income from the Non-Federal Aid Highway Fund must be deposited to the credit of the Non-Federal Aid Highway Fund. Interest income from the Infrastructure Maintenance Trust Fund must be deposited to the credit of the Infrastructure Maintenance Trust Fund. The commission may commit up to the maximum annual debt service provided in Article X, Section 13 of the South Carolina Constitution into a special fund to be used for the sole purpose of paying the principal and interest, as it comes due, on bonds issued for the construction or maintenance of state highways, or both. This special account will be designated as the State Highway Construction Debt Service Fund.

(2) The Infrastructure Maintenance Trust Fund must be used exclusively for the repairs, maintenance, and improvements to the existing transportation system.”

B. Article 1, Chapter 1, Title 57 of the 1976 Code is amended by adding:

“Section 57-1-100 Notwithstanding any other provision of law requiring the Department of Transportation to transfer revenues to another entity, if the department determines that the transfer of funds is not prudent and the transfer would not best serve the transportation infrastructure needs of this State, then the department may delay the transfer indefinitely. However, the transfer may not be delayed if the funds are to be used to pay debt service on outstanding bond issuances.”

C. Section 12-28-310 of the 1976 Code is amended by adding an appropriately lettered subsection to read:

“() On July 1, 2017, and each July first thereafter until after July 1, 2021, the department shall permanently increase the amount of the user fees imposed pursuant to subsection (A) by two cents, for a total of ten cents. All of the funds raised by the increase in the motor fuel user fee imposed by this subsection must be credited to the Infrastructure Maintenance Trust Fund.”

D. Section 56-11-410 of the 1976 Code is amended to read:

“Section 56-11-410. (A) A road tax for the privilege of using the streets and highways in this State is imposed upon every motor carrier. The tax is equivalent to ~~sixteen cents a gallon~~ the user fee imposed pursuant to Section 12-28-310, calculated on the amount of gasoline or other motor fuel used by the motor carrier in its operations within this State. Except as credit for certain taxes as provided for in this chapter, taxes imposed on motor carriers by this chapter are in addition to taxes imposed upon the carriers by any other provision of law.

(B) Notwithstanding any other provision of law, all of the road tax funds collected in excess of sixteen cents a gallon after accounting for the credit provided in Section 56-11-450, must be credited to the Infrastructure Maintenance Trust Fund.”

E. Section 56-11-450(A) of the 1976 Code is amended to read:

“(A) Every motor carrier subject to the tax imposed under this chapter is entitled to a credit on the tax equivalent to ~~sixteen cents per gallon~~ the user fee imposed pursuant to Section 12-28-310 on all gasoline or other motor fuel purchased by the carrier within this State for use in operations either within or without this State and upon which gasoline or other motor fuel the tax imposed by the laws of this State has been paid by the carrier. Evidence of the payment of the tax in such form as may be required by or is satisfactory to the Department of Motor Vehicles must be furnished by each carrier claiming the credit.”

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F.1. Section 56-3-620 of the 1976 Code, as last amended by Act 353 of 2008, is further amended to read:

“Section 56-3-620. (A) For persons sixty-five years of age or older or persons who are handicapped, as defined in Section 56-3-1950, the biennial registration fee for every private passenger motor vehicle, excluding trucks, is ~~twenty~~ thirty-six dollars.

(B) ~~Beginning July 1, 1987, For~~ persons under the age of sixty-five years the biennial registration fee for every private passenger motor vehicle, excluding trucks, is ~~twenty-four~~ forty dollars.

(C) For persons sixty-five years of age or older, the biennial registration fee for a property-carrying vehicle with a gross weight of six thousand pounds or less is ~~thirty~~ forty-six dollars.

(D) For persons who are sixty-four years of age, the biennial registration fee for a private passenger motor vehicle, excluding trucks, is ~~twenty-two~~ thirty-eight dollars.

(E) Applicable truck fees, established by Section 56-3-660, are not negated by this section.

(F) Annual license plate validation stickers which are issued for nonpermanent license plates on certified South Carolina public law enforcement vehicles must be issued without charge.

(G) From each biennial registration and license fee collected, sixteen dollars must be credited to the Infrastructure Maintenance Trust Fund.”

F.2. This SECTION takes effect January 1, 2018.

G.1. Article 5, Chapter 3, Title 56 of the 1976 Code is amended by adding:

“Section 56-3-627. (A) In order to account for the necessary road maintenance caused by each item traversing the roads of this State, in addition to the registration fees imposed by this chapter, the owner of each vehicle or other item that is required to be registered pursuant to this chapter must pay an infrastructure maintenance fee upon first registering the vehicle or other item. Also, the owner of each trailer or semi-trailer must pay the fee upon first registering the trailer or semi-trailer. The Department of Motor Vehicles may not issue a registration until the infrastructure maintenance fee has been collected. The infrastructure maintenance fee must be credited to the Infrastructure Maintenance Trust Fund.

(B) If upon purchasing or leasing the item from a dealer, the owner first registers the item in this State, then the fee equals five percent, not to exceed five hundred dollars, of the gross proceeds of sales, or sales price, as those terms are defined in Chapter 36, Title 12. If the dealer holds a South Carolina retail license or offers to license and register the item, then the dealer must collect the fee and remit it to the Department of Motor Vehicles.

(C) (1) If upon purchasing or leasing the item from a person other than a dealer, the owner first registers the item in this State, then the fee equals five percent, not to exceed five hundred dollars, of the fair market value of the item.

(2) Excluded from the fee imposed pursuant to this subsection are:

(a) items transferred:

(i) to members of the immediate family;

(ii) to a legal heir, legatee, or distributee;

(iii) from an individual to a partnership upon formation of a partnership, or from a stockholder to a corporation upon formation of a corporation;

(iv) to a licensed motor vehicle or motorcycle dealer for the purpose of resale;

(v) to a financial institution for the purpose of resale;

(vi) as a result of repossession to any other secured party, for the purpose of resale;

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(b) the fair market value of an item transferred to the seller or secured party in partial payment;

(c) gross proceeds of transfers of items specifically exempted by Section 12-36-2120 from the sales or use tax;

(d) items where a sales or use tax has been paid on the transaction necessitating the transfer.

(3) The Department of Motor Vehicles shall require every applicant for a certificate of title to supply information it considers necessary as to the time of purchase, the purchase price, and other information relative to the determination of fair market value. If the fee is based upon total purchase price as defined in this subsection, the department shall require a submission of a bill of sale and the signature of the owner subject to the perjury statutes of this State.

(4) For purposes of this subsection:

(a) 'Fair market value' means the total purchase price less any trade-in, or the valuation shown in a national publication of used values adopted by the department, less any trade-in.

(b) 'Immediate family' means spouse, parents, children, sisters, brothers, grandparents, and grandchildren.

(c) 'Total purchase price' means the price of an item agreed upon by the buyer and seller with an allowance for a trade-in, if applicable.

(D) (1) If upon purchasing or leasing the item, the owner first registers the item in another state, and subsequently registers the item in this State, then the fee equals two hundred fifty dollars.

(2) This subsection does not apply if the owner of the item is serving on active duty in the armed forces of the United States. The exclusion allowed by this item also extends to items owned by the spouse or dependent of a person serving on active duty in the armed forces of the United States.

(E) (1) (a) The Department of Motor Vehicles shall transfer eighty percent of every fee collected on motor vehicles pursuant to subsections (B) and (C), but not to exceed two hundred forty dollars, to the Department of Transportation to be allocated to the state-funded resurfacing program. The Department of Transportation shall develop and implement a needs-based methodology to distribute revenue within the state-funded resurfacing program, which shall include consideration of pavement condition on a county-by-county basis, to ensure that each county in the State is guaranteed funding for resurfacing.

(b) The Department of Motor Vehicles shall transfer twenty percent of every fee collected on motor vehicles pursuant to subsections (B) and (C), but not to exceed sixty dollars, to the South Carolina Education Improvement Act of 1984 Fund.

(2) The Department of Transportation shall reduce the allocation to the state-funded resurfacing program required in item (1) in proportion to the amounts transferred to the South Carolina Transportation Infrastructure Bank pursuant to subsection (F) and in proportion to the amounts required by the Department of Transportation to fund repairs, maintenance, and improvements to the existing transportation system.

(F) (1) The Department of Transportation shall identify bridge and road projects to be financed utilizing nontax revenue transferred to the bank by the Department of Transportation in an amount equal to the financing requirements related to projects selected pursuant to this section, provided that:

(a) Fifty million dollars in revenue utilized by the bank shall be used to finance bridge replacement, rehabilitation projects, and expansion and improvements on existing roads in the State Highway System.

(b) Funds in excess of fifty million dollars utilized by the bank shall be used to finance expansion and improvements to existing mainline interstates.

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(2) Funds transferred to the bank pursuant to this section may not be used to finance projects approved by the bank before July 1, 2013. The bank shall submit all projects proposed to be financed pursuant to subsection (B) to the Joint Bond Review Committee as provided in Section 11-43-180, before approving a project for financing.

(3) Following consideration by the Joint Bond Review Committee, the bank shall approve the projects to be financed. Upon approval, the bank shall provide the Department of Transportation with written notice that identifies each project selected, the amount of nontax revenue that must be transferred to the bank for financing each project, a schedule for the transfers, and any other information necessary to carrying out the financing of each project.

(4) Upon receipt of the notice provided in item (3), the Department of Transportation shall transfer nontax revenue to the bank in the amounts and upon the schedule provided in the notice. The department shall take any other action identified in the notice that is necessary for financing each project.

(5) Projects financed utilizing funds transferred pursuant to this subsection shall not require a local match.

(G) The Secretary of Transportation shall apply funds supplanted by the operation of this section to prioritized bridge and resurfacing needs.

(H) Notwithstanding any other provision of this section, any transaction exempt pursuant to Section 12-36-2120(25), is also exempt from the infrastructure maintenance fee.”

G.2. This SECTION takes effect on July 1, 2017.

H.1. Chapter 3, Title 56 of the 1976 Code is amended by adding:

“Section 56-3-645. (A) In addition to the registration fees imposed by this chapter, the owner of motor vehicles that are powered:

(1) exclusively by electricity, hydrogen, or any fuel other than motor fuel, as defined in Section 12-28-110(39), that are not subject to motor fuel user fees imposed by Chapter 28, Title 12 shall pay a biennial road use fee of one hundred twenty dollars; and

(2) by a combination of motor fuel subject to motor fuel user fees imposed by Chapter 28, Title 12 and electricity, hydrogen, or any fuel other than motor fuel that is not subject to motor fuel user fees imposed by Chapter 28, Title 12 shall pay a biennial road use fee of sixty dollars.

(B) All of the fees collected pursuant to this section must be credited to the Infrastructure Maintenance Trust Fund.

(C) The Department of Motor Vehicles shall collect this fee at the same time as the vehicle subject to the fee is registered.”

H.2. This SECTION takes effect January 1, 2018.

I.1. Section 12-36-2110(A) of the 1976 Code is amended to read:

“Section 12-36-2110. (A) (1) The maximum tax imposed by this chapter is three hundred dollars for each sale made after June 30, 1984, or lease executed, after August 31, 1985, of each:

~~(1)~~(a) aircraft, including unassembled aircraft which is to be assembled by the purchaser, but not items to be added to the unassembled aircraft;

~~(2)~~(b) motor vehicle;

~~(3)~~(c) motorcycle;

~~(4)~~(d) boat;

~~(5)~~(e) trailer or semitrailer, pulled by a truck tractor, as defined in Section 56-3-20, and horse trailers, but not including house trailers or campers as defined in Section 56-3-710 or a fire safety education trailer;

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~~(6)~~(f) recreational vehicle, including tent campers, travel trailer, park model, park trailer, motor home, and fifth wheel; or

~~(7)~~(g) self-propelled light construction equipment with compatible attachments limited to a maximum of one hundred sixty net engine horsepower.

(2) In the case of a lease, the total tax rate required by ~~law~~ this section applies on each payment until the total tax paid equals three hundred dollars. Nothing in this section prohibits a taxpayer from paying the total tax due at the time of execution of the lease, or with any payment under the lease. To qualify for the tax limitation provided by this section, a lease must be in writing and specifically state the term of, and remain in force for, a period in excess of ninety continuous days.

(3) Notwithstanding any other provision of this subsection, after June 30, 2017, the maximum tax imposed pursuant to this chapter on the sale, lease, or registration of an item enumerated in item (1) only applies to items not subject to the fee pursuant to Section 56-3-627.

(4) Notwithstanding any other provision of this subsection, after June 30, 2017, the maximum tax imposed pursuant to this chapter on the sale, lease, or registration of an item enumerated in item (1) is increased from three hundred dollars to five hundred dollars, mutatis mutandis. Notwithstanding Section 59-21-1010, or any other provision of law, any revenue resulting from the increase contained in this item must be credited to the Infrastructure Maintenance Trust Fund.

(5) Notwithstanding any other provision of law, revenues resulting from the maximum tax imposed pursuant to this chapter on the sale, lease, or registration of an item enumerated in item (1) which would be subject to the fee set forth in Section 56-3-627 but for the state in which it is registered, must be collected by and remitted to the Department of Motor Vehicles. Upon collection, the Department of Motor Vehicles must transfer all the revenues to the Infrastructure Maintenance Trust Fund.”

I.2. Section 12-36-2120 of the 1976 Code, as last amended by Act 256 of 2016, is further amended by adding an appropriately numbered item to read:

“() any item subject to the fee set forth in Section 56-3-627.”

I.3. Section 12-36-1710(A) through (D) of the 1976 Code is amended to read:

“(A) In addition to all other fees prescribed by law there is imposed an excise tax for the issuance of every certificate of title, or other proof of ownership, for every ~~motor vehicle, motorcycle,~~ boat, motor, or airplane, required to be registered, titled, or licensed. The tax is five percent of the fair market value of the ~~motor vehicle, motorcycle,~~ airplane, boat, and motor.

(B) Excluded from the tax are:

(1) ~~motor vehicles, motorcycle,~~ boats, motors, or airplanes:

(a) transferred to members of the immediate family;

(b) transferred to a legal heir, legatee, or distributee;

(c) transferred from an individual to a partnership upon formation of a partnership, or from a stockholder to a corporation upon formation of a corporation;

(d) transferred to a licensed motor vehicle or motorcycle dealer for the purpose of resale;

(e) transferred to a financial institution for the purpose of resale;

(f) transferred as a result of repossession to any other secured party, for the purpose of resale;

(2) the fair market value of a ~~motor vehicle, motorcycle,~~ boat, motor, or airplane, transferred to the seller or secured party in partial payment;

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(3) gross proceeds of transfers of ~~motor vehicles, motorcycles, or~~ airplanes specifically exempted by Section 12-36-2120 from the sales or use tax;

(4) ~~motor vehicles, motorcycles,~~ boats, motors, or airplanes, where a sales or use tax has been paid on the transaction necessitating the transfer.

(C) 'Fair market value' means the total purchase price less any trade-in, or the valuation shown in a national publication of used values adopted by the department, less any trade-in.

(D) 'Total purchase price' means the price of a ~~motor vehicle, motorcycle,~~ boat, motor, or airplane agreed upon by the buyer and seller with an allowance for a trade-in, if applicable."

I.4. Section 12-36-2647 of the 1976 Code is repealed.

I.5. The Code Commissioner is directed to change or correct all references to the sales tax on vehicles and other such items to reflect the provisions of Section 56-3-627 as added by this act. References to the sales tax on vehicles and other such items in the 1976 Code or other provisions of law are considered to be and must be construed to mean appropriate references.

J.1. Article 23, Chapter 37, Title 12 of the 1976 Code is amended to read:

"Article 23
Motor Carriers

Section 12-37-2810. As used in this article, unless the context requires otherwise:

(A) 'Motor carrier' means a person who owns, controls, operates, manages, or leases a commercial motor vehicle, or bus for the transportation of property or persons in intrastate or interstate commerce except for scheduled intercity bus service and farm vehicles using FM tags as allowed by the Department of Motor Vehicles. A motor carrier is defined further as being a South Carolina-based International Registration Plan registrant or owning or leasing real property within this State used directly in the transportation of freight or persons.

(B) 'Commercial motor vehicle' means a motor propelled vehicle used for the transportation of property on a public highway ~~with a gross vehicle weight of greater than twenty-six thousand pounds,~~ except for farm vehicles using FM tags as allowed by the Department of Motor Vehicles.

(C) 'Large commercial motor vehicle' means a commercial motor vehicle with a gross vehicle weight of greater than twenty-six thousand pounds that is registered under the International Registration Plan or used on a highway for the transportation of property.

(D) 'Small commercial motor vehicle' means a commercial motor vehicle with a gross vehicle weight of less than or equal to twenty-six thousand pounds that is registered under the International Registration Plan or used on a highway for the transportation of property.

~~(C)~~(E) 'Highway' means all public roads, highways, streets, and ways in this State, whether within a municipality or outside of a municipality.

~~(D)~~(F) 'Person' means any individual, corporation, firm, partnership, company or association, and includes a guardian, trustee, executor, administrator, receiver, conservator, or a person acting in a fiduciary capacity.

~~(E)~~(G) 'Semitrailers' means every vehicle with or without motive power, other than a pole trailer, designed for carrying property and for being drawn by a motor vehicle and constructed so that a part of its weight and of its load rests upon or is carried by another vehicle.

~~(F)~~(H) 'Trailers' means every vehicle with or without motive power, other than a pole trailer, designed for carrying property and for being drawn by a motor vehicle and constructed so that no part of its weight rests upon the towing vehicle.

~~(G)~~(I) 'Bus' means every motor vehicle designed for carrying more than sixteen passengers and used for the transportation of persons, for compensation, other than a taxicab or intercity bus.

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(J) ‘South Carolina apportionment factor’ means the ratio of miles operated by a fleet of vehicles in South Carolina to the miles operated by the fleet of vehicles everywhere, which is used to apportion the registration fees of the fleet under the International Registration Plan.

Section 12-37-2815. The provisions contained in this article do not apply to small commercial motor vehicles that must be licensed, registered, and pay ad valorem taxes as otherwise provided by law.

Section 12-37-2820. (A)The Department of ~~Revenue~~ Motor Vehicles annually shall assess, equalize, and apportion the valuation of all large commercial motor vehicles and buses of motor carriers registered for use in this State under the International Registration Plan or otherwise pursuant to Section 56-3-190. The valuation must be based on fair market value for the motor vehicles and an assessment ratio of nine and one-half percent as provided by Section 12-43-220(g). Fair market value is determined by depreciating the gross capitalized cost of each motor carrier’s large commercial motor vehicle, or bus by an annual percentage depreciation allowance down to ten percent of the cost as follows:

(1) Year One	--	.90
(2) Year Two	--	.80
(3) Year Three	--	.65
(4) Year Four	--	.50
(5) Year Five	--	.35
(6) Year Six	--	.25
(7) Year Seven	--	.20
(8) Year Eight	--	.15
(9) Year Nine	--	.10

(B) ‘Gross capitalized cost’, as used in this section, means the original cost upon acquisition for income tax purposes, not to include taxes, interest, or cab customizing.

~~Section 12-37-2830. The value of a motor carrier’s large commercial motor vehicles and buses subject to property taxes road use fees in this State must be determined based on the ratio of total mileage operated within this State during the preceding calendar year to the total mileage of its fleet operated within and without this State during the same preceding calendar year according to the South Carolina apportionment factor for the fleet of which the commercial vehicle is a part.~~

~~Section 12-37-2840. (A) Motor carriers must file an annual property tax return with the Department of Revenue no later than June 30 for the preceding calendar year and remit one half of the tax due or the entire tax due as stated on the return. If the motor carrier fails to pay either one half of the tax due or the entire tax due as of June 30, the department must issue a proposed assessment for the entire tax to the motor carrier. The tax as shown in the proposed assessment must be paid in full by cashier’s check, money order, or cash within thirty days of the issuance of the proposed assessment, or the taxpayer may appeal the proposed assessment within thirty days using the procedures provided in subarticle 1, Article 5, Chapter 60 of this title.~~

~~(B) (1) If one half of the tax is remitted on or before June 30, the remaining one half of the tax due must be paid to the Department of Revenue on or before December 31 of that year. If the motor carrier fails to remit the remaining tax due pursuant to this section, the department shall issue a proposed assessment to the motor carrier.~~

~~(2) The tax shown in the proposed assessment must be paid in full by cashier’s check, money order, or cash or appealed within thirty days of the issuance of the proposed assessment. The taxpayer may appeal the proposed assessment using the procedures provided in subarticle 1, Article 5, Chapter 60 of this title.~~

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~~(C) If a motor carrier fails to timely file the return as required by this section, the department shall issue a proposed assessment which assumes all mileage of the motor carrier's fleet was driven within this State. A taxpayer may appeal this proposed assessment using the procedures provided in subarticle 1, Article 5, Chapter 60 of this title.~~

~~(D) A twenty five percent penalty must be added to the property tax due if the motor carrier fails to file a return or pay any tax due, including the one half of the tax due on June 30, as required by this section. The penalty must be applied the day after the date that the return was due to be filed or the tax was due to be paid. This penalty is instead of all other penalties and interest required by law, except those provided in Section 12-54-44.~~

~~(E) If the motor carrier fails to remit the tax due within thirty days of receipt of the proposed assessment and the taxpayer fails to appeal the proposed assessment as provided in subsection (B), the department shall assess the tax. Tax due pursuant to this section is subject to the collection procedures provided in Chapter 54, of this title, except that the penalty provisions of Section 12-54-43 do not apply. A motor carrier registering a large commercial motor vehicle or bus must pay the road use fee due on the vehicle at the time and in the manner the person pays the registration fees on the vehicle pursuant to Section 56-3-660. A person choosing to pay registration fees on a large commercial motor vehicle or bus in quarterly installments pursuant to Section 56-3-660 also must pay the road use fee on the vehicle in the same quarterly installments.~~

~~Section 12-37-2842. (A) The Department of Motor Vehicles, at the time of first registration by a motor carrier as defined in this article, shall notify the registrant of the Department of Revenue's registration and filing requirements and supply the required registration forms.~~

~~(B) The motor carrier must register with the Department of Revenue within thirty days following the year in which the vehicle or bus was first registered for operation in South Carolina.~~

~~(C) A motor carrier must notify the Department of Revenue, on forms supplied by the department, of a motor vehicle or bus that is disposed of before December 31.~~

~~Section 12-37-2850. Beginning on January 1, 2019, the Department of Revenue Motor Vehicles shall assess annually the taxes road use fee due on large commercial motor vehicles and buses based on the value determined in Section 12-37-2820 and an average millage for all purposes statewide for the preceding calendar year and shall publish the average millage for the preceding year by June 1 July first of each year. The Department of Revenue, in consultation with the Revenue and Fiscal Affairs Office, shall calculate the millage to be used to calculate the road use fee by June first of each year for the following calendar year. The taxes road use fee assessed must be paid to the Department of Revenue no later than December 31 of each year and may be made in two equal installments. Motor Vehicles, in addition to the registration fees required pursuant to Sections 56-3-660 and 56-3-670, at the time and in the manner that the registration fees on the vehicle are paid pursuant to Sections 56-3-660 and 56-3-670. Distribution of the taxes fees paid must be made by the State Treasurer's Office of the State Treasurer based on the distribution formula contained provided in Section 12-37-2870 Sections 12-37-2865 and 12-37-2870.~~

~~Section 12-37-2860. (A) In addition to the property tax exemptions allowed pursuant to Section 12-37-220, one hundred percent of the fair market value of semitrailers and trailers as defined in Section 12-37-2810, and commonly used in combination with a large commercial motor vehicle, as defined pursuant to Section 12-37-2810, is exempt from property tax.~~

~~(B) Instead of the any property taxes tax and the registration requirements contained provided in Sections 56-3-110 and 56-3-700 on semitrailers and trailers of motor carriers as defined in Section 12-37-2810, and commonly used in combination with a large commercial motor vehicle, a one-time fee payable to the Department of Motor Vehicles in the amount of~~

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eighty-seven dollars is ~~due~~ imposed on all semitrailers and trailers currently registered and subsequently on each semitrailer and trailer before being placed in service.

(C) The fee imposed pursuant to subsection (B) and the registration requirements of this article are in lieu of any local road use fee, registration fees, or any other vehicle related fee imposed by a political subdivision of this State on a trailer or semitrailer.

~~(B)(D)~~ (D) Twelve dollars of the one-time fee must be distributed to the Department of ~~Revenue~~ Motor Vehicles and may be retained by the Department of ~~Revenue~~ Motor Vehicles and expended in budgeted operations to record and administer the fee. The remaining seventy-five dollars of the fee must be distributed based on the distribution formula ~~contained~~ provided in ~~Section~~ Sections 12-37-2865 and 12-37-2870, and must occur by the fifteenth day of the month following the month in which the fees are collected.

~~(C) The fee required by this section is due on or before March 31, 1998, for the initial registration.~~

~~(D)(E)~~ (E) The Department of Motor Vehicles shall design a permanent tag for display on the exterior of the rear of the trailer or semitrailer in a conspicuous place.

(F) If the apportioned registration fees of a large commercial motor vehicle or bus and the road use fees for large commercial motor vehicles required under this chapter are equal to or exceed four hundred dollars, the fees may be remitted to the Department of Motor Vehicles quarterly provided that each installment is made online. A motor carrier who fails to make a quarterly payment on a timely basis may no longer make installment payments and must remit to the department the balance of the fees owed for any previous calendar year before the Department of Motor Vehicles will renew registration for the current calendar year. A motor carrier that opts out of installment payments must make full payment of fees at the time of registration.

Section 12-37-2865. Seventy-five percent of the revenues from the road use fee assessed pursuant to Section 12-37-2850, and the one-time fee assessed pursuant to Section 12-37-2860 must be distributed by the State Treasurer as provided in Section 12-37-2870. Distributions must be made by the last day of the next month succeeding the month in which the fee is paid. The remaining twenty-five percent must be credited to the Infrastructure Maintenance Trust Fund to be used to finance expansion and improvements to existing mainline interstates.

Section 12-37-2870. The distribution of the fee revenues required to be distributed pursuant to Section 12-37-2865(B) for each county must be determined on the ratio of total federal and state highway miles within each county during the preceding calendar year to the total federal and state highway miles within all counties of this State during the same preceding calendar year. The county must distribute the revenue from the payment-in-lieu of taxes received pursuant to this section within thirty days of its receipt to every governmental entity levying a property tax in the manner set forth below. For each governmental entity levying a property tax, the entire assessed value of the taxable property within its boundaries and the county area must be multiplied by the millage rate imposed by the governmental entity. That figure constitutes the numerator for that governmental entity. The total of the numerators for all property tax levying entities within the county area constitutes the denominator. The numerator for each governmental entity must be divided by the denominator. The resulting percentage must be multiplied by the ~~payment in lieu of tax~~ fee revenue received pursuant to this section and that amount distributed to the general fund of the appropriate governmental entity. The distribution of taxes and fees paid must be made by the last day of the next month succeeding the month in which the taxes and fees were paid.

Section 12-37-2880. (A) In addition to the property tax exemptions allowed pursuant to Section 12-37-220, one hundred percent of the fair market value of all large commercial motor vehicles and buses registered for use in this State under the International Registration Plan or

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otherwise pursuant to Section 56-3-190, is exempt from property tax and is instead subject to the road use fee imposed pursuant to this article.

~~(B) The ad valorem taxes authorized road use fee imposed by this article are is in lieu of all other ad valorem taxes upon the large commercial motor vehicles or buses of motor carriers, and any road use or other vehicle-related fees imposed by a political subdivision of this State if registered for use in this State under the International Registration Plan. The fee in lieu of property taxes and registration requirements authorized by this article are in lieu of all other ad valorem taxes upon trailers and semitrailers of motor carriers.~~

~~Section 12-37-2890. (A) Upon request by the Department of Revenue, and after the time period for all appeals of tax due is exhausted, the Department of Motor Vehicles shall suspend the driver's license and vehicle registration of a person that fails to file or pay a motor carrier property tax on a vehicle, pursuant to this article. The request to suspend must be an electronic notification from the Department of Revenue to the Department of Motor Vehicles. Before notification is sent to the Department of Motor Vehicles, the Department of Revenue shall notify the delinquent taxpayer by certified letter of the pending suspension and of the steps necessary to prevent the suspension from being entered on the taxpayer's driving and registration records. The department shall allow thirty days for payment of taxes before notifying the Department of Motor Vehicles to suspend the driver's license and vehicle registration.~~

~~(B) Notwithstanding the provisions of Sections 56-1-460 and 56-9-500, a charge of driving under suspension when the suspension is solely for failure to file or pay a motor carrier property tax or the reinstatement fee required for the property tax does not require proof of financial responsibility. A person is not subject to a custodial arrest solely for being under suspension pursuant to this section. Upon conviction of a violation of this section, the taxpayer is subject to:~~

~~(1) for a first offense a fine not to exceed fifty dollars;~~

~~(2) for a second offense a fine not to exceed two hundred fifty dollars; and~~

~~(3) for a third or subsequent offense under this section, the penalty is a fine not to exceed five hundred dollars or imprisonment not to exceed thirty days, or both.~~

~~(C) Notwithstanding the provisions of subsections (A) and (B) of this section or the provisions of Section 56-1-460, a charge of driving under suspension issued solely as a result of this section must be dismissed if the taxpayer provides proof on the taxpayer's court date that the personal property taxes on the vehicle which resulted in the charge being issued have been paid.~~

~~(D) Before the reinstatement of a driver's license or vehicle registration suspended due to a violation of this section, a fee of fifty dollars must be paid to the Department of Motor Vehicles. The Department of Motor Vehicles may retain revenues generated by payment of the reinstatement fees pursuant to this section for use in defraying costs associated with suspension and reinstatement actions pursuant to this section. Fees collected in excess of actual departmental direct costs related to suspension and reinstatement actions pursuant to this section must be deposited to the credit of the general fund of the State at the end of each fiscal year."~~

J.2. Section 56-3-376 of the 1976 Code is amended to read:

“Section 56-3-376. (A) All vehicles except those vehicles designated in Section 56-3-780 are designated as distinct classifications and must be assigned an annual registration period as follows:

(1) Classification (1). Vehicles for which the biennial registration fee is one-hundred sixty dollars or more. The Department of Motor Vehicles may register and license a vehicle for which the biennial registration fee is one-hundred sixty dollars or more or for a semiannual or one-half year upon application to the department by the owner and the payment of one-fourth of the specified biennial fee. Biennial registrations and licenses expire at midnight on the last day of the twenty-fourth month for the period for which they were issued. Semiannual or half-year

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registrations and licenses expire at midnight of the sixth month for the period for which they were issued and no person shall drive, move, or operate a vehicle upon a highway after the expiration of the registration and license until the vehicle is registered and licensed for the then current period. Trucks, truck tractors, or road tractors with an empty or unloaded weight of over five thousand pounds or less, or gross vehicle weight of eight thousand pounds or less also must be placed in this classification but may not be registered for less than a full biennial period.

(2) Classification (2). Other vehicles. All other vehicles except those vehicles described in classification (1) and (3) of this section are assigned a staggered biennial registration which expires on the last day of the month for the period for which they were issued.

(3) Classification (3). Large commercial motor vehicles and buses registered by motor carriers, as defined in Section 12-37-2810, are assigned a staggered annual registration which expires on the last day of the month for the period for which they were issued.

(B) Notwithstanding the registration periods provided in this section, upon appropriate notice, the department may revise the established renewal dates to allow renewals to be assigned an expiration date pursuant to a staggered monthly basis.”

J.3. Section 56-3-120(5) of the 1976 Code is amended to read:

“(5) a trailer or semitrailer ~~of a motor carrier commonly used in combination with a large commercial motor vehicle,~~ as defined in Section 12-37-2810, for which trailer or semitrailer the fee in lieu of taxes and registration requirements has been paid fee imposed pursuant to Section 12-37-2860 is paid and applicable registration requirements provided pursuant to Article 23, Chapter 37, Title 12, are met, and a distinctive permanent plate has been issued pursuant to Section 12-37-2860.”

J.4. Section 56-3-610 of the 1976 Code is amended to read:

“Section 56-3-610. (A) Except as provided in subsection (B), the owner of every motor vehicle, trailer, semitrailer, pole trailer, and special mobile equipment vehicle required to be registered and licensed under this chapter shall pay to the Department of Motor Vehicles at the time of registering and licensing the vehicle and biennially after that time registration and license fees as set forth in this article.

(B) A large commercial motor vehicle or bus on which is imposed the road use fee provided pursuant to Article 23, Chapter 37, Title 12 is required to be registered and licensed annually pursuant to this chapter and the scheduled fees adjusted as provided pursuant to Section 56-3-660(E).”

J.5. Section 56-3-660(A) of the 1976 Code is amended to read:

“Section 56-3-660. (A) The determination of gross vehicle weight to register and license self-propelled property carrying vehicles is the empty weight of the vehicle or combination of vehicles and the heaviest load to be transported by the vehicle or combination of vehicles as declared by the registered owner. All determinations of weight must be made in units of one thousand pounds or major fraction of one thousand pounds. The declared gross vehicle weight applies to all self-propelled property carrying vehicles operating in tandem with trailers or semitrailers except that the gross weight of a trailer or semitrailer is not required to be included when the operation is to be in tandem with a self-propelled property carrying vehicle licensed for six thousand pounds or less gross weight, and the gross vehicle weight of the combination does not exceed nine thousand pounds. The Department of Motor Vehicles may register and license a ~~vehicle of this classification~~ small commercial motor vehicle, as defined in Section 12-37-2810, for which the biennial registration and license fee is one-hundred and sixty dollars or more for

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an annual or one-year period beginning on April first and ending on March thirty-first of the next year upon application to the department by the owner and the payment of one-half the specified biennial fee or for a semiannual or one-half year beginning on April first and ending on September thirtieth of the same year upon application to the department by the owner and the payment of the appropriate fees. The registration and license fee for small commercial motor vehicles in this classification which are registered for the remaining twenty-four months or less of the twenty-four month biennial period or for the eleven months or less of the twelve-month year ending on March thirty-first or the remaining five months or less for the one-half period ending on September thirtieth is the proportionate part of the specified biennial fee for the remainder of the twenty-four month period or year or one-half year based on one twenty-fourth of the specified twenty-four-month fee for each month or part of a month remaining in the biennial registration period or license year or one-half year. ~~No~~ An proportionate fee may not be reduced lower than ten dollars. A person making application for a registration and license for a motor vehicle of this classification shall declare the true unloaded or empty weight of the vehicle.”

J.6. Section 56-3-660 of the 1976 Code is amended by adding an appropriately lettered subsection to read:

“(1) Fees for licensing and registration, and fees imposed pursuant to Article 23, Chapter 37, Title 12, may be credited or prorated as prescribed by the Department of Motor Vehicles.”

J.7. Section 56-3-660(E) of the 1976 Code is amended to read:

“(E) The department may register ~~an apportionable~~ a large commercial motor vehicle, as defined in Section 12-37-2810, for the payment of one-half of this State’s portion of the license and road fee for a vehicle whose portion of the license and road fee owed to this State exceeds ~~eight~~ four hundred dollars. The department may require any information necessary to complete the transaction.”

J.8. Section 58-23-620 of the 1976 Code is amended to read:

“Section 58-23-620. (A) ~~No city, town,~~ A municipality or county in this State ~~shall~~ may not impose a license fee or license tax upon a holder of a certificate A or a certificate B, and ~~no city, town,~~ a municipality or county ~~shall~~ may not impose a license fee or license tax on the holder of a certificate E or a certificate F, Certificate of Compliance, or a common or contract motor carrier of property, except the ~~city or town~~ municipality of ~~such~~ the carrier’s residence or the location of ~~his~~ the carrier’s principal place of business. However, the fee required of a holder of a certificate C is in addition to any license tax or license fee charged by a municipality.

(B) If a municipality or county imposes a license fee or license tax pursuant to subsection (A), the fee or tax in the case of any certificate holder or common or contract motor carrier of property which operates its vehicles both within and without this State, must be apportioned in the ratio that the miles traveled by the vehicles operated by the certificate holder in this State bears to miles traveled by those vehicles in all states.”

J.9. Article 21, Chapter 37, Title 12 of the 1976 Code is amended by adding:

“Section 12-37-2600. Motor carriers, as defined in Section 12-37-2810, are exempt from ad valorem taxes imposed pursuant to this chapter on large commercial motor vehicles and buses.”

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J.10. Section 12-37-2610 of the 1976 Code, as last amended by Act 87 of 2015, is further amended to read:

“Section 12-37-2610. The tax year for licensed motor vehicles begins with the last day of the month in which a registration required by Section 56-3-110 is issued and ends on the last day of the month in which the registration expires or is due to expire. ~~No~~ A registration may not be issued for motor vehicles until the ad valorem tax is paid for the year for which the registration is to be issued. ~~Motor vehicles registered under the International Registration Plan may pay ad valorem property taxes on a semiannual basis~~ Large commercial motor vehicles and buses, as defined in Section 12-37-2810, must pay road use fees pursuant to Article 23, Chapter 37, Title 12 in lieu of ad valorem property taxes. The provisions of this section do not apply to the transfer of motor vehicle registrations as specified in Section 12-37-2675 or to sales of motor vehicles by a licensed motor vehicle dealer. Notice of the sales must be furnished to the Department of Motor Vehicles by the dealer, along with other documents necessary for the registration and licensing of the vehicle concerned. The notice must be received by the Department of Motor Vehicles as a prerequisite to the registration and licensing of the vehicle and must include the name and address of the purchaser, the vehicle identification number, and the year and model of the vehicle. The notice must be an original and one copy, and the copy must be provided by the department to the auditor of the county in which the vehicle is taxable. All ad valorem taxes on a vehicle are due and payable one hundred twenty days from the date of purchase. The notice and the time in which to pay the tax applies to motor vehicles that are serviced and delivered by a licensed motor vehicle dealer for the benefit of an out-of-state dealer.”

J.11. The first paragraph of Section 12-37-2650 of the 1976 Code is amended to read:

“The auditor shall prepare a tax notice of all vehicles owned by the same person and licensed at the same time for each tax year within the two-year licensing period. A notice must describe the motor vehicle by name, model, and identification number. The notice must set forth the assessed value of the vehicle, the millage, the taxes due on each vehicle, and the license period or tax year. The notice must be delivered to the county treasurer who must collect or receive payment of the taxes. One copy of the notice must be in the form of a bill or statement for the taxes due on the motor vehicle and, when practical, the treasurer shall mail that copy to the owner or person having control of the vehicle. When the tax and all other charges included on the tax bill have been paid, the treasurer shall issue the taxpayer a paid receipt. The receipt or a copy may be delivered by the taxpayer to the Department of Motor Vehicles with the application for the motor vehicle registration. A record of the payment of the tax must be retained by the treasurer. The auditor shall maintain a separate duplicate for motor vehicles. ~~No~~ A registration may not be issued by the Department of Motor Vehicles unless the application is accompanied by the receipt, a copy of the notification required by Section 12-37-2610 or notice from the county treasurer, by other means satisfactory to the Department of Motor Vehicles, of payment of the tax. ~~Motor vehicles registered under the International Registration Plan may pay ad valorem property taxes on a semiannual basis, and a proportional receipt must be issued by the treasurer subject to penalties in Section 12-37-2730.~~ Large commercial motor vehicles and buses, as defined in Section 12-37-2810, must pay road use fees pursuant to Article 23, Chapter 37, Title 12 in lieu of ad valorem property taxes. The treasurer, tax collector, or other official charged with the collection of ad valorem property taxes in each county may delegate the collection of motor vehicle taxes to banks or banking institutions, if each institution assigns, hypothecates, or pledges to the county, as security for the collection, federal funds or federal, state, or municipal securities in an amount adequate to prevent any loss to the county from any cause. Each institution shall remit the taxes collected daily to the county official charged with the collections. The receipt given to the taxpayer, in addition to the information required in this section and by Section

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12-45-70, must contain the name and office of the treasurer or tax collector of the county and must also show the name of the banking institution to which payment was made.”

J.12. (1) Notwithstanding any provision to the contrary within this SECTION, a person who registers a vehicle for use in this State pursuant to Article 23, Chapter 37, Title 12, as amended by this act, must register his vehicle during calendar year 2019 and is required to pay the road fees calculated based on the fair market value of the vehicle as specified in Sections 12-37-2820 and 12-37-2850 at the time the vehicle’s registration fees are paid.

(2) Notwithstanding the provisions in Section 12-37-2865(B) and (C), as contained in this SECTION, to the contrary, during calendar year 2019 the first four hundred thousand dollars of fee revenue collected pursuant to Section 12-37-2865 must be retained by the Department of Motor Vehicles to defray programming costs.

(3) The initial millage required by Section 12-37-2850 must be calculated on or before June 1, 2018.

J.13. This SECTION takes effect January 1, 2019, except that the Department of Revenue, in consultation with the Revenue and Fiscal Affairs Office, shall calculate the millage to be used to calculate the road use fee provided in Section 12-37-2850 by July 1, 2018.

K.1. Section 57-1-310 through Section 57-1-330 of the 1976 Code, as last amended by Act 275 of 2016, are further amended to read:

“Section 57-1-310. (A) The congressional districts of this State are constituted and created Department of Transportation Districts of the State, designated by numbers corresponding to the numbers of the respective congressional districts. The Commission of the Department of Transportation shall be composed of one member from each transportation district and one member from the State at large, all appointed by the Governor, upon the advice and consent of the ~~Senate General Assembly, subject to the provisions of Section 57-1-325.~~ In making appointments to the commission, the Governor shall take into account race, gender, and other demographic factors, such as residence in rural or urban areas, so as to represent, to the greatest extent possible, all segments of the population of the State; however, consideration of these factors in making an appointment in no way creates a cause of action or basis for an employee grievance for a person appointed or for a person who fails to be appointed.

~~(B) The at large appointment made by the Governor must be transmitted to the Joint Transportation Review Committee.~~

~~(C)~~ The qualifications that each commission member must possess, include, but are not limited to:

(1) a baccalaureate or more advanced degree from:

(a) a recognized institution of higher learning requiring face-to-face contact between its students and instructors prior to completion of the academic program;

(b) an institution of higher learning that has been accredited by a regional or national accrediting body; or

(c) an institution of higher learning chartered before 1962; or

(2) a background of at least five years in any combination of the following fields of expertise:

(a) transportation;

(b) construction;

(c) finance;

(d) law;

(e) environmental issues;

(f) management; or

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(g) engineering.

(D) A member of the General Assembly or member of his immediate family may not be appointed to the commission while the member is serving in the General Assembly; nor shall a member of the General Assembly or a member of his immediate family be appointed to the commission for a period of four years after the member either:

(1) ceases to be a member of the General Assembly; or

(2) fails to file for election to the General Assembly in accordance with Section 7-11-15.

Section 57-1-320. A county within a Department of Transportation district may not have a resident commission member for more than eight consecutive years and in no event shall any two persons from the same county serve as a commission member simultaneously.

~~Section 57-1-325. (A) The Governor shall submit his transportation district appointees to the Senate and the House of Representatives for referral to the appropriate legislative delegation. Legislative delegation for these purposes means legislators residing in the congressional district corresponding to the transportation district of the appointee.~~

~~(B) Upon receipt of a referral, the legislative delegation shall meet to approve or disapprove the Governor's appointee. The legislative delegation shall report its findings to the House of Representatives, the Senate, and the Governor. If the legislative delegation approves the Governor's appointee, the appointment shall be referred to the Joint Transportation Review Committee. If the delegation disapproves the appointee, the Governor shall make another appointment. If the legislative delegation fails to approve of the Governor's appointee within forty five days of the appointee's referral to the delegation, the appointee is deemed to have been disapproved.~~

Section 57-1-330. (A) All commission members are appointed to serve at the pleasure of the Governor to a term of office of four years which expires on February fifteenth of the appropriate year. However, a commission member may not serve more than two eight consecutive terms full years, and may not serve more than twelve years, regardless of when the term was years were served so long as four full years have passed since the commissioner last served. ~~Commissioners shall continue to serve until their successors are appointed and confirmed, provided that a commissioner only may serve in a hold-over capacity for a period not to exceed six months. If either the eight consecutive year limit or the twelve total years limit is met, a vacancy occurs, and the commissioner may not serve in a hold over capacity.~~ Any vacancy occurring in the office of commissioner shall be filled by appointment in the manner provided in this article ~~for the unexpired term only.~~ Except for the at-large member, a person is not eligible to serve as a commission member who is not a resident of that district at the time of his appointment. Failure by such commission member to maintain residency in the district for which he is appointed shall result in the forfeiture of his office.

(B) The at-large commission member may be appointed from any county in the State unless another commission member is serving from that county. Failure by the at-large commission member to maintain residence in the State shall result in a forfeiture of his office.

~~Commission members may be removed from office at the discretion of the Governor subject to the prior approval of the appropriate legislative delegation.~~

K.2. Article 7, Chapter 1, Title 57 of the 1976 Code is repealed.

K.3. This SECTION takes effect July 1, 2017, except that the members of the Commission of the Department of Transportation serving on June 30, 2017, shall continue to serve until their current term expires, and until their successor is appointed and confirmed. If a vacancy occurs in the

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seat of a member serving on June 30, 2017, before the member's term otherwise expires, the vacancy must be filled in the manner specified in Chapter 1, Title 57 of the 1976 Code, as amended by this act, and the member filling the vacancy shall serve until the term expires. Commissioners serving on June 30, 2017, and anyone serving for the remainder of their term do not serve at the pleasure of the Governor. The members serving on June 30, 2017, if otherwise eligible, may be reappointed pursuant to Section 57-1-310, as amended by this act.

L. The first paragraph in Section 12-28-2355(C), before the first colon, is amended to read:

“(C) Notwithstanding any other provision of law, ~~of the fees collected pursuant to subsection (A) of this section, ten percent must be transmitted by the Department of Revenue to the Department of Agriculture beginning upon the effective date of this act for use as provided in Section 39-41-70 and the remainder of the fees must be credited to the Department of Transportation State Non-Federal Aid Highway Fund as provided in the following schedule:”~~

M. Section 12-28-2740 of the 1976 Code is amended by adding an appropriately numbered subsection at the end to read:

“() Notwithstanding the provisions of subsection (A), on July 1, 2018, and each July first thereafter until after July 1, 2021, the amount of proceeds of the user fee on gasoline only as levied for in this chapter that must be deposited with the State Treasurer and expended for the purposes of this section must be increased by .3325 cents a gallon, until such time as the total amount equals three and ninety-nine one-hundredths cents a gallon. Any increase in proceeds resulting from the provisions of this subsection must be used exclusively for the repairs, maintenance, and improvements to the state secondary highway system.”

N. Except where specified otherwise, this SECTION takes effect July 1, 2017.