**A** **BILL**

TO AMEND SECTION 59‑150‑380, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE EDUCATIONAL LOTTERY TEACHING SCHOLARSHIP GRANTS PROGRAM, SO AS TO REVISE THE PURPOSES AND FUNDING OF THE PROGRAM TO INCLUDE SCHOLARSHIPS AND GRANTS FOR TEACHERS TO OBTAIN A MASTER’S DEGREE IN THEIR CONTENT AREA, FULL SCHOLARSHIPS TO UNDERGRADUATES WHO CHOOSE TO MAJOR IN EDUCATION, AND GRANTS TO TEACHERS AND CERTIFIED PROSPECTIVE TEACHERS TO REPAY STUDENT LOANS, TO ESTABLISH THE TERMS, CONDITIONS, AND PROCEDURES FOR THESE GRANTS AND SCHOLARSHIP PROGRAMS; BY ADDING SECTION 59-149-170, SO AS TO PROVIDE THAT A STUDENT IS NOT QUALIFIED FOR A LIFE SCHOLARSHIP UNTIL AFTER THE COMPLETION OF HIS FRESHMAN YEAR; AND TO AMEND SECTION 59-150-370, RELATING TO THE HOPE SCHOLARSHIP, SO AS TO PROVIDE THAT A STUDENT IS NOT QUALIFIED FOR THE HOPE SCHOLARSHIP UNTIL AFTER THE COMPLETION OF HIS FRESHMAN YEAR.

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

SECTION 1. The General Assembly finds that:

(A) only 24.6 percent of HOPE scholarship recipients retain their scholarships after the first year;

(B) only 22.2 percent of LIFE scholarship recipients attending technical schools retain their scholarships after the first year;

(C) only 51.4 percent of LIFE scholarship recipients at a four‑year institution retain their scholarships after the first year;

(D) only 86.7 percent of the remaining recipients retain their scholarships after the second year; and

(E) the four‑year graduation rate at our public institutions of higher learning in South Carolina is 41.7 percent.

For these reasons and in order to allocate scarce funding resources in the most effective manner possible, and to improve the results reflected above through having the best teachers possible, the General Assembly therefore has determined to enact the provisions of this act.

SECTION 2. Section 59‑150‑380 of the 1976 Code is amended to read:

“Section 59‑150‑380. (A)(1) The Commission on Higher Education, in consultation with the State Department of Education, must develop an Education Lottery Teaching Scholarship Grants Program to provide certified teachers in the public schools of this State grants not to exceed ~~one thousand dollars per year~~ the full cost of tuition and attendance to attend public or private colleges and universities for the purposes of ~~upgrading existing content area skills or~~ obtaining a master’s degree in the teacher’s content area. ~~If there are insufficient funds in the Education Lottery Account to provide the grant to each eligible recipient for a particular year, priority must be given to those teachers whose subject areas are critical subject needs as determined by the State Department of Education.~~

(2) For purposes of this subsection, the Commission on Higher Education shall develop and publish on its website a list of master’s degree programs and institutions which offer these programs for teachers to attend and enroll in when applying for these grants. If a teacher desires to enroll in a master’s degree program or attend an institution not on the list developed by the commission, the teacher may make application to the commission for approval of that master’s program or institution in order to receive these grants.

(B) In addition to the provisions of subsection (A), undergraduates or high school seniors enrolled in or accepted into a public or private college or university whose major is or will be education may be provided scholarships by the commission in the same manner provided in subsection (A) for teachers equal to the full cost of tuition and attendance to obtain a baccalaureate degree in education. These grants and scholarships to students must be for one academic year and are renewable for additional academic years not to exceed three if the student is making satisfactory progress toward obtaining the desired degree each year based on the criteria established by the commission for this purpose. As a condition for receiving a grant or scholarship under this subsection, a teacher or student by contract with the commission must agree to teach or continue to teach in the public or independent schools of this State for that number of years equal to the number of years the grants or scholarships were received. Failure to achieve the desired degree obligates the student to repay all funds received, together with interest at the average prime lending rate of the three largest banks in South Carolina by deposits over such period of time as determined by the commission after considering the student’s financial condition and resources. Waivers to this repayment requirement may be granted by the commission in extraordinary circumstances.

(C) In lieu of the provisions of subsections (A) and (B), a current teacher in the public or private schools of this State or a person who is certified to teach in the public or private schools of this State who is not presently teaching, may apply to the commission for a grant to repay undergraduate or graduate student loans incurred by that teacher in an amount not to exceed thirty thousand dollars. As a condition of receiving this grant, the teacher must agree to teach in the public or private schools in this State for a period of one school year for each ten thousand dollars received. Failure to teach in the manner required by this subsection, regardless of whether or not a teaching position is available in a desired location, requires repayment of the grant in the same manner provided in subsection (B).

(D) The term ‘a public or independent or private school of this State’ means K‑12 schools including alternative or special education schools. The South Carolina Lottery Commission shall consult with the Commission on Higher Education in the selection of grant and scholarship recipients under the provisions of this section. The General Assembly, beginning with fiscal year 2021‑2022, shall appropriate to the Commission on Higher Education sufficient funds to implement the provisions of this section to be held by the commission in a special fund set aside for this purpose. Any education lottery proceeds not needed to fund the grants and scholarships provided for by this section must be used for other K‑12 educational purposes in the manner the General Assembly shall provide by law.”

SECTION 3. Chapter 149, Title 59 of the 1976 Code is amended by adding:

“Section 59‑149‑170. Notwithstanding any other provision of law, beginning in school year 2021‑2022, a student is not qualified for a LIFE scholarship until after the completion of his freshman year. In order to qualify for a LIFE scholarship, a student must complete his freshman year and meet all requirements as provided in this chapter.”

SECTION 4. Section 59‑150‑370 of the 1976 Code is amended to read:

“Section 59‑150‑370. (A) SC HOPE Scholarships are hereby established and are provided by the State. These scholarships are authorized in an amount of up to two thousand five hundred dollars, plus a three hundred dollar book allowance to cover the cost of attendance, as defined by the Commission on Higher Education by regulation, during the ~~first~~ second year of attendance only, to an eligible student attending a four‑year public or independent institution as defined in subsection (B) who does not also qualify for a LIFE Scholarship or a Palmetto Fellows Scholarship.

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

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

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

(C) A student is eligible to receive a SC HOPE Scholarship if he meets the criteria for receiving and maintaining the Legislative Incentives for Future Excellence (LIFE) Scholarship except that a minimum Scholastic Aptitude Test (SAT) or ACT score and requisite class rank are not required for eligibility for the SC HOPE Scholarship. These SC HOPE Scholarships must be granted and awarded as provided in this section.

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

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

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

(G) Notwithstanding any other provision of law, beginning in School Year 2021‑2022, a student is not qualified for a HOPE scholarship until after the completion of his freshman year. In order to qualify for a HOPE scholarship, a student must complete his freshman year and meet all requirements as provided in this section.”

SECTION 5. This act takes effect on July 1, 2021, provided that a HOPE or LIFE scholarship recipient receiving such a scholarship on the effective date of this act may continue to receive the scholarship for the duration of the student’s undergraduate attendance at his or her present institution or at another institution provided the student continues to achieve the matriculation requirements to continue or regain receiving the scholarship as provided by law.

SECTION 6. This act takes effect upon approval by the Governor.

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