**A** **BILL**

TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING ARTICLE 29 TO CHAPTER 53, TITLE 59 SO AS TO DEVELOP AND IMPLEMENT A CAREER PATHWAYS INITIATIVE, TO ESTABLISH A PATHWAYS TO FIRST CAREERS PROGRAM, TO ESTABLISH A PATHWAYS TO NEW OPPORTUNITIES PROGRAM, AND TO ADMINISTER THE WORKFORCE SCHOLARSHIP AND GRANT FUND; BY ADDING SECTION 12‑6‑3760 SO AS TO PROVIDE A TAX CREDIT FOR TAXPAYERS WHO HIRE AN APPRENTICE; BY ADDING SECTION 59‑53‑110 SO AS TO CREATE A “WORKFORCE SCHOLARSHIP AND GRANT FUND”; AND BY ADDING SECTION 12‑6‑3765 SO AS TO PROVIDE A TAX CREDIT FOR TAXPAYERS WHO CONTRIBUTE TO THE WORKFORCE SCHOLARSHIP AND GRANT FUND.

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

SECTION 1. Chapter 53, Title 59 of the 1976 Code is amended by adding:

“Article 29

Pathways Initiative

Section 59‑53‑2620. (A) The State Board for Technical and Comprehensive Education, the Department of Education, the Department of Employment and Workforce, and the Department of Commerce shall implement a Pathways Initiative in alignment with the Education and Economic Development Act to improve employment outcomes and address critical workforce development needs statewide.

(B) The Coordinating Council for Workforce Development shall prepare an annual report on the Pathways Initiative by February first of each year. The report must be published on each operating agency’s website and submitted to the Chairman of the Senate Finance Committee and the Chairman of the House Ways and Means Committee. The report must include, at minimum, an analysis of program accountability measures and key performance indicators.

Section 59‑53‑2630. The State Board for Technical and Comprehensive Education and the Department of Education shall develop and implement a statewide Pathways to First Careers program to facilitate a seamless transition from education to employment in industries with critical workforce shortages. Funds allocated to the program must be used to provide the necessary infrastructure, including career and technical equipment, facilities, instructional materials, transportation, and tuition grants. Of the funds allocated to the program:

(1) at least thirty percent of the funds must be directed to school districts or multidistrict career centers lacking adequate career development and workforce readiness programs with priority given to school districts or multidistrict career centers with a poverty index of seventy‑five percent or greater; and

(2) remaining funds must be used to establish programs in all regions of the State that confer the necessary skills and training to prepare students for careers in high demand fields and critical need positions in businesses and industries experiencing difficulty recruiting and retaining qualified applicants.

Section 59‑53‑2640. (A) The State Board for Technical and Comprehensive Education shall coordinate with the Department of Commerce, Department of Employment and Workforce, and the Department of Education to develop and implement a Pathways to New Opportunities program to provide subsidized career training and certification and job placement assistance to adults pursuing careers in high demand jobs in critical need industries throughout the State.

(B) The State Board for Technical and Comprehensive Education shall administer the Workforce Scholarship and Grant Fund, established pursuant to Section 59-53-110, for eligible individuals to be used for tuition and education-related expenses for eligible career training and certification programs. The board, in consultation with the Department of Education and the Commission on Higher Education or its successor, shall develop and maintain eligibility criteria for scholarships and grants. Funds may be used to provide opportunities through existing programs.

(C) The Department of Employment and Workforce shall coordinate with the State Board for Technical and Comprehensive Education to identify and refer eligible individuals to the training programs and scholarship opportunities established in this section. Also, the Department of Employment and Workforce shall coordinate with the Department of Commerce and the State Board for Technical and Comprehensive Education to develop and implement a plan to facilitate the job placement of eligible individuals who have completed the necessary training and certification to ensure that qualified individuals are matched with available employment opportunities in high demand jobs throughout the State.”

SECTION 2. Article 1, Chapter 53, Title 59 of the 1976 Code is amended by adding:

“Section 59‑53‑110. (A) There is created a ‘Workforce Scholarship and Grant Fund’ administered by the State Board for Technical and Comprehensive Education. The purpose of the fund is to provide scholarship funding for eligible individuals to pursue career education through eligible programs.

(B) As used in this section:

(1) ‘Qualifying individual’ means a person who is a South Carolina resident and who is eligible to be enrolled in a South Carolina technical college or professional certification program.

(2) ‘Cost of attendance’ means the total amount of money charged for the cost of a qualifying individual to attend an eligible program including, but not limited to, tuition, fees for attending the school, textbooks, and school‑related transportation, less all federal grants and need‑based grants.

(3) ‘Eligible program’ means a program that:

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

(b) is located in this State;

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

(d) meets all eligibility guidelines promulgated by the State Board for Technical and Comprehensive Education in consultation with the Department of Education.

(4) ‘Person’ means an individual, partnership, corporation, or other similar entity.

(C) 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.

(D)(1) The State Board for Technical and Comprehensive Education, in consultation with the Department of Education, is responsible for determining if a program meets the criteria established by subsection (A)(3), and shall publish an approved list of qualifying programs. For the purpose of this subsection, the board shall promulgate regulations further enumerating the specifics of these criteria.

(2) By the first day of August for the current fiscal year, the State Board for Technical and Comprehensive Education, on its website available to the general public, shall provide a list of approved programs that accept grants for eligible students and that in the board’s determination are in compliance with the requirements of subsection (A)(3).

(E) Contributions made to the fund must be used to provide grants for tuition, fees, transportation, or textbook expenses to individuals enrolled in eligible programs who qualify for these grants under the provisions of this section. A person contributing to the fund may not designate a specific individual or institution as the beneficiary of the contribution.”

SECTION 3. A. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3760. (A) A taxpayer is allowed a career pathways tax credit if the taxpayer creates a registered apprenticeship as defined in the National Apprenticeship Act. A taxpayer claiming credits pursuant to this section is ineligible for income tax credits authorized for apprenticeships pursuant to Section 12‑6‑3477.

(B)(1) A career pathways tax credit is allowed for up to five years for a registered apprentice employed by the taxpayer. The apprentice must be employed for at least seven months to be eligible for the credit in year one. Subsequent credits can be applied as long as the employee remains in the apprenticeship program under an apprenticeship agreement. The amount of the initial tax credit is as follows:

(a) four thousand dollars for each new full-time apprenticeship created in ‘Tier IV’ counties, as provided in Section 12‑6‑3360(B)(1);

(b) two thousand one hundred twenty‑five dollars for each new full-time apprenticeship created in ‘Tier III’ counties, as provided in Section 12‑6‑3360(B)(2);

(c) one thousand three hundred seventy-five dollars for each new full-time apprenticeship created in ‘Tier II’ counties, as provided in Section 12‑6‑3360(B)(3);

(d) seven hundred fifty dollars for each new full-time apprenticeship created in ‘Tier I’ counties, as provided in Section 12‑6‑3360(B)(4).

(2) An apprenticeship created pursuant to this section is not a new job for purposes of Section 12‑6‑3360.

(C) A credit claimed pursuant to this section but not used in a taxable year may be carried forward in the same manner as provided in Section 12‑6‑3360(H).

(D) For purposes of this section, an ‘apprenticeship program’ means a program designed to allow an individual the opportunity to work under supervision to learn a trade or skill and approved by the South Carolina State Board for Technical and Comprehensive Education’s Apprenticeship Carolina as the apprenticeship registering entity for the State of South Carolina.

(E) Tax credits may be prorated for apprentices that are employed part time.

(F) The Department of Revenue may adopt rules and promulgate regulations necessary to implement this section.”

B. This section takes effect in tax years beginning after 2017 and applies to apprenticeships created after that date.

SECTION 4. This act takes effect upon approval by the Governor.

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