**Thursday, March 24, 2022**

**(Statewide Session)**

~~Indicates Matter Stricken~~

Indicates New Matter

The Senate assembled at 11:00 A.M., the hour to which it stood adjourned, and was called to order by the PRESIDENT.

A quorum being present, the proceedings were opened with a devotion by the Chaplain as follows:

Ezekiel 37:2b,3

Ezekiel the prophet tells us:

“. . . I saw a great many bones on the floor of the valley, bones that were very dry. He asked me, ‘. . . can these bones live?’ ”

Please join your heart with mine as we pray: Truly, loving God, those “dry bones” -- all of those still to be completed tasks, the multiples of

questions awaiting answers -- every bit of those things and many dozens more continue to await resolution here in the South Carolina Senate. And so we pray today, Lord, that You grant to each of Your servants in this place the wisdom and the determination to continue wrestling with the many, many issues that are before them. And likewise bless all of our state’s and our nation’s other leaders, and even all of our women and men in uniform struggling against dark forces in so many places, that each of these individuals might also prove to be a true source of blessing for people everywhere. Indeed, may “these bones live” by Your grace. So we humbly pray in Your loving name, dear Lord. Amen.

The PRESIDENT called for Petitions, Memorials, Presentments of Grand Juries and such like papers.

**Call of the Senate**

Senator MARTIN moved that a Call of the Senate be made. The following Senators answered the Call:

Adams Alexander Allen

Bennett Cash Climer

Corbin Cromer Davis

Fanning Gambrell Garrett

Goldfinch Grooms Gustafson

Harpootlian Hembree Hutto

Kimbrell Kimpson Martin

Massey McElveen Peeler

Rice Sabb Scott

Senn Setzler Shealy

Stephens Talley Turner

Verdin Young

A quorum being present, the Senate resumed.

**Doctor of the Day**

Senators HARPOOTLIAN and HUTTO introduced Drs. Patricia Witherspoon, Miles Scott and Bradley Tishman of Columbia, S.C., Doctors of the Day.

**CO-SPONSOR ADDED**

The following co-sponsor was added to the respective Bill:

S. 531 Sen. Peeler

**INTRODUCTION OF BILLS AND RESOLUTIONS**

The following were introduced:

S. 1193 -- Senator Gambrell: A CONCURRENT RESOLUTION TO RECOGNIZE AND HONOR ELECTROLUX HOME PRODUCTS, INC. FOR BEING A MANUFACTURING COMPANY THAT BRINGS GREAT PRIDE TO THE STATE OF SOUTH CAROLINA.

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The Concurrent Resolution was adopted, ordered sent to the House.

S. 1194 -- Senator K. Johnson: A CONCURRENT RESOLUTION TO RECOGNIZE AND HONOR AMERICAN HONDA MOTOR CO., INC. FOR BEING A MANUFACTURING COMPANY THAT BRINGS GREAT PRIDE TO THE STATE OF SOUTH CAROLINA.

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The Concurrent Resolution was adopted, ordered sent to the House.

S. 1195 -- Senator Allen: A CONCURRENT RESOLUTION TO RECOGNIZE AND HONOR LOCKHEED MARTIN FOR BEING A MANUFACTURING COMPANY THAT BRINGS GREAT PRIDE TO THE STATE OF SOUTH CAROLINA.

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The Concurrent Resolution was adopted, ordered sent to the House.

S. 1196 -- Senator Grooms: A CONCURRENT RESOLUTION TO RECOGNIZE AND HONOR NUCOR STEEL BERKELEY FOR BEING A MANUFACTURING COMPANY THAT BRINGS GREAT PRIDE TO THE STATE OF SOUTH CAROLINA.

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The Concurrent Resolution was adopted, ordered sent to the House.

S. 1197 -- Senator Massey: A SENATE RESOLUTION TO CONGRATULATE THE STROM THURMOND HIGH SCHOOL MOCK TRIAL TEAM ON WINNING THE 2022 SOUTH CAROLINA BAR HIGH SCHOOL MOCK TRIAL CHAMPIONSHIP.

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The Senate Resolution was adopted.

S. 1198 -- Senator Shealy: A BILL TO AMEND CHAPTER 130, TITLE 44 OF THE 1976 CODE, RELATING TO THE SOUTH CAROLINA OVERDOSE PREVENTION ACT, TO PROVIDE THAT HOSPITALS MAY DISTRIBUTE OPIOID ANTIDOTES; AND TO PROVIDE FOR IMMUNITY FROM CRIMINAL OR CIVIL LIABILITY.

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Read the first time and referred to the Committee on Medical Affairs.

S. 1199 -- Senator Turner: A BILL TO AMEND CHAPTER 39, TITLE 40 OF THE 1976 CODE, RELATING TO PAWNBROKERS, BY ADDING ARTICLE 3 ENTITLED THE "ONLINE MARKETPLACE CONSUMER PROTECTION ACT" SO AS TO ESTABLISH THE DUTIES OF ONLINE MARKETPLACES WITH REGARDS TO THE COLLECTION, VERIFICATION, AND DISCLOSURE OF CERTAIN INFORMATION REGARDING HIGH-VOLUME THIRD-PARTY SELLERS, AND TO PROVIDE FOR EXCLUSIVE ENFORCEMENT BY THE ATTORNEY GENERAL.

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Read the first time and referred to the Committee on Labor, Commerce and Industry.

S. 1200 -- Senator Kimbrell: A BILL TO AMEND SECTION 50-25-1320 OF THE 1976 CODE, RELATING TO RESTRICTIONS ON LAKE WILLIAM C. BOWEN, TO REVISE THE MOTOR RESTRICTIONS ON THE LAKE.

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Read the first time and referred to the Committee on Fish, Game and Forestry.

S. 1201 -- Senator Turner: A SENATE RESOLUTION TO RECOGNIZE MARCH 30, 2022, AS "SOUTH CAROLINA PROFESSIONAL LAND SURVEYORS DAY" IN SOUTH CAROLINA AND TO RECOGNIZE THE IMPORTANCE OF THE SERVICES PROVIDED BY THIS GROUP OF PROFESSIONALS TO THE STATE.

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The Senate Resolution was introduced and referred to the Committee on Labor, Commerce and Industry.

S. 1202 -- Senator Kimbrell: A SENATE RESOLUTION TO RECOGNIZE AND HONOR FORMER SOUTH CAROLINA GOVERNOR DAVID BEASLEY FOR HIS WORLD FOOD PROGRAMME AND TO WELCOME HIM TO SOUTH CAROLINA.

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The Senate Resolution was adopted.

S. 1203 -- Senators Alexander and Peeler: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, TO ENACT THE "SOUTH CAROLINA OPIOID RECOVERY ACT" BY ADDING CHAPTER 58 TO TITLE 11.

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Read the first time and referred to the Committee on Finance.

S. 1204 -- Senator Alexander: A BILL TO AMEND SECTION 7-7-430, AS AMENDED, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE DESIGNATION OF VOTING PRECINCTS IN OCONEE COUNTY, SO AS TO UPDATE THE MAP NUMBER ON WHICH THE NAMES OF THESE PRECINCTS MAY BE FOUND AND MAINTAINED BY THE REVENUE AND FISCAL AFFAIRS OFFICE.

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Read the first time and referred to the Committee on Judiciary.

**REPORT OF STANDING COMMITTEE**

Senator SHEALY from the Committee on Family and Veterans' Services submitted a favorable with amendment report on:

S. 906 -- Senator Shealy: A BILL TO AMEND SECTION 43‑35‑10(3) OF THE 1976 CODE, RELATING TO THE DEFINITION OF “EXPLOITATION” IN THE “OMNIBUS ADULT PROTECTION ACT”, TO AMEND THE DEFINITION OF “EXPLOITATION” TO INCLUDE THE EXERCISE OF EXTREME UNDUE INFLUENCE OVER, COERCIVE PERSUASION OF, OR PSYCHOLOGICALLY DAMAGING MANIPULATION OF A VULNERABLE ADULT; AND TO FURTHER AMEND SECTION 43‑35‑10 BY ADDING A DEFINITION FOR “UNDUE INFLUENCE”.

Ordered for consideration tomorrow.

**THE SENATE PROCEEDED TO THE INTERRUPTED DEBATE.**

**AMENDED, DEBATE INTERRUPTED**

S. 935 -- Senators Grooms, Loftis, Goldfinch, Verdin, Rice, Cash, Adams, Climer, Peeler, Garrett, Kimbrell, Davis, Campsen, Hembree, Turner, Corbin, Bennett, Massey, Gambrell, Rankin, Senn and Gustafson: A BILL TO AMEND TITLE 59 OF THE 1976 CODE, RELATING TO EDUCATION, BY ADDING CHAPTER 8, TO PROVIDE FOR THE CREATION OF EDUCATION SCHOLARSHIP ACCOUNTS, TO PROVIDE REQUIREMENTS FOR THE ACCOUNTS, TO CREATE AN EDUCATION SCHOLARSHIP ACCOUNT FUND TO FUND THE SCHOLARSHIPS, AND TO PROVIDE RELATED REQUIREMENTS OF THE EDUCATION OVERSIGHT COMMITTEE AND THE DEPARTMENT OF ADMINISTRATION, AMONG OTHER THINGS.

The Senate proceeded to a consideration of the Bill, the question being the second reading of the Bill.

**Amendment No. 1B**

Senator HEMBREE proposed the following amendment (935R006.SP.GH), which was adopted:

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. This act may be cited and referred to as the “Put Parents in Charge Act”.

SECTION 2. Title 59 of the 1976 Code is amended by adding:

“CHAPTER 8

Education Scholarship Trust Fund

Section 59‑8‑110. For purposes of this chapter:

(1) ‘Department’ means the South Carolina Department of Education.

(2) ‘Education Scholarship Trust Fund’, ‘ESTF’, or ‘fund’ means the individual account that is administered by the department to which funds are allocated to the parent of an eligible student to pay for qualifying expenses.

(3) ‘Eligible student’ means a student who:

(a) is a resident of this State;

(b)(i) attended a public school in this State during the previous school year;

(ii) had not yet attained the age of five on or before September first of the previous school year but who has attained the age of five on or before September of the current school year; or

(iii) received a scholarship pursuant to this chapter for the previous school year; and

(c)(i) has a statement of Medicaid eligibility;

(ii) has an IEP; or

(iii) has a sibling living in the same household who receives a scholarship pursuant to this chapter.

(4) ‘IDEA’ means the Individuals with Disabilities Education Act found in 20 U.S.C. Section 1400, et seq.

(5) ‘Parent’ means a resident of this State who is the natural or adoptive parent, legal guardian, custodian, or other person with legal authority to act on behalf of an eligible student.

(6) ‘Education service provider’ means a person or organization approved by the department that receives payments from ESTF to provide educational goods and services to scholarship students.

(7) ‘Program’ means the ESTF program created by this chapter.

(8) ‘Resident school district’ means the public school district in which the student is domiciled.

(9) ‘Scholarship’ means education funding allocated from an account established pursuant to this chapter.

(10) ‘Scholarship student’ means an eligible student who is participating in the Education Scholarship Trust Fund program.

(11) ‘Substantial misuse’ means willfully and knowingly receiving or spending any portion of a scholarship for any purpose other than a qualifying expense.

(12) ‘Qualifying expense’ means:

(a) tuition and fees of an education service provider;

(b) textbooks, curriculum, or other instructional materials including, but not limited to, any supplemental materials or associated online instruction required by either a curriculum or an education service provider;

(c) tutoring services approved by the department;

(d) computer hardware or other technological devices that are used primarily for a scholarship student’s educational needs and approved by the department or a licensed physician;

(e) tuition and fees for an approved nonpublic online education service provider or course;

(f) fees for approved:

(1) national norm‑referenced examinations, advanced placement examinations, or similar assessments;

(2) industry certification exams; or

(3) examinations related to college or university admission;

(g) educational services for pupils with disabilities from a licensed or accredited practitioner or provider including, but not limited to, occupational, behavioral, physical, and speech‑language therapies;

(h) approved contracted services from a public school district, including individual classes, after school tutoring services, transportation, or fees or costs associated with participation in extracurricular activities;

(i) contracted teaching services and education classes approved by the department;

(j) fees for transportation paid to a fee‑for‑service transportation provider for the scholarship student to travel to and from an eligible provider as defined in this section, but not to exceed seven hundred fifty dollars for each school year;

(k) fees for ESTF account management by private financial management firms approved by the department; or

(l) any other educational expense approved by the department.

Section 59‑8‑115. (A) The department shall create a standard application process and establish the timeline for parents to establish the eligibility of their student for the Education Scholarship Trust Fund program. The application window established shall last at least forty-five days, opening no earlier than January fifteenth and closing no later than March fifteenth each calendar year.

(B) Pursuant to the timeline established pursuant to subsection (A), the department shall:

(1) process applications in the order in which they are received, after a preference has been extended to all prior‑year participants and their respective siblings; and

(2) enroll and issue award letters within thirty days of the deadline for receipt of completed applications and all required documentation.

(C) Before awarding a scholarship, the department shall have obtained evidence of the student’s eligibility through the card issued in the student’s name from the Department of Health and Human Services for Medicaid eligibility included as applicable with application documentation.

(D) The department shall approve an application for scholarship if:

(1) the parent submits an annual application for an scholarship in accordance with the application and procedures established by the department;

(2) the student on whose behalf the parent is applying is an eligible student;

(3) funds are available for the ESTF; and

(4) the parent signs an annual agreement with the department:

(a) to provide, at a minimum, a program of academic instruction for the eligible student in at least the subjects of English/language arts to include writing, mathematics, social studies, and science;

(b) to ensure the scholarship student takes assessments as referenced in Section 59‑8‑150 or provides assessments in a similar manner through other means if the scholarship student does not receive full‑time instruction from an education service provider;

(c) to use program funds for qualifying expenses only for an approved provider to educate the scholarship student, subject to penalty;

(d) not to enroll their scholarship student in a public school as a full‑time student in the resident school district, as defined in this chapter;

(e) not to participate in a home instruction program under Sections 59‑65‑40, 59‑65‑45, or 59‑65‑47;

(f) to comply with the conditions and requirements of the ESTF program as established by the department; and

(g) to confirm that, if the parent’s child is a student with disabilities, the parent has received notice from the department that participation in the ESTF program is a parental placement of the scholarship student under IDEA, along with an explanation of the rights that parentally placed students possess under IDEA and any applicable state laws and regulations, including the consultation process provided for in 20 U.S.C. Section 1412(a)(10) and the Individual Education Program requirements described in Section 1414(d) of IDEA.

(E) The department shall make available on its website in a conspicuous location information in conformity with 34 C.F.R Sections 300.130 through 300.144, Assistance to States for the Education of Children with Disabilities, explaining to parents the rights of children with disabilities under IDEA both in public schools and as parentally placed students in private schools.

(F) A parent will be allowed to make payments for the cost of educational goods and services not covered by the funds in their student’s ESTF; however, personal deposits into an ESTF account are prohibited.

(G) Funds received pursuant to this section do not constitute taxable income to the parent of the scholarship student or to the student.

(H) A parent’s signed agreement under subsection (D)(4) satisfies the state’s compulsory attendance law pursuant to Section 59‑65‑10.

(I) The State Board of Education shall promulgate regulations for the administration of the program as may be applicable.

(J) The department may contract with qualified organizations to administer the program application process or specific functions, maintenance, and monitoring of the program application process as required above.

Section 59‑8‑120. (A) There is established at the department, the ‘South Carolina Education Scholarship Trust Fund’ that is separate and distinct from the general fund, consisting of monies appropriated to the department to provide scholarships to eligible students for qualifying expenses. The fund must receive and hold all monies allocated for it as well as all earnings until disbursed as provided in this section.

(B) The department shall administer the fund and is responsible for keeping records, managing accounts, and disbursing scholarships awarded pursuant to this section and as directed by the parent.

(C) Upon request of the parent and approval of an eligible student’s application by the department, the State Treasurer shall transfer six thousand dollars per scholarship student to the Education Scholarship Trust Fund as directed by the General Assembly. Each year this amount shall be adjusted to reflect the percentage increase in the actual state allocated revenue per pupil as calculated by the Revenue and Fiscal Affairs Office pursuant to the annual appropriations act.

(D) The department shall create an individual online ESTF account for each scholarship student.

(1) The parent must be able to access the individual online account for the scholarship student using a secure portal.

(2) The individual scholarship student’s account must be created within thirty days of the application approval.

(E) The department shall make payments to an individual scholarship student’s account from the ETSF on a quarterly basis with the first payment being distributed by July thirty‑first of each year.

(F) By September first of each school year and again on January fifteenth and March fifteenth of the school year, the department shall compare the list of scholarship students with the public school enrollment lists to avoid duplicate payments.

(G) Education service providers may not refund, rebate, or share a student’s scholarship funds directly with a parent or the scholarship student. The funds in an account may only be used for qualifying expenses as defined in this chapter and provided by the department.

(H) The department may contract with qualified organizations to administer the program.

Section 59‑8‑125. (A) The department shall develop an online electronic system for payment for services authorized by participating parents pursuant to this chapter and the guidelines provided by the department. Parents may not be reimbursed for out‑of‑pocket expenses.

(B) The General Assembly shall appropriate funds to the department for initial costs to create the program. Thereafter, the department shall deduct an amount from the ESTF to cover the costs of overseeing the accounts and administering the program up to a limit of three percent. Annually, on or before December thirty-first, the department shall notify the respective chairmen of the Senate Finance Committee and House of Representatives Ways and Means Committee regarding the amount deducted for administrative costs and an itemization of the costs incurred to administer the program for the previous school year.

(C) The department may contract with qualified vendors to manage accounts and shall establish reasonable fees for private financial management firms participating in the program based upon market rates.

(D) The department may contract with qualified organizations to administer the program or specific functions of the program.

(E) Payments made by the department must remain in force until a parent or scholarship student is proven to have participated in a prohibited activity specified in this chapter, a scholarship student returns to a public school in his resident public school district, or scholarship student graduates from high school or attains twenty‑two years of age, whichever occurs first. A scholarship student who enrolls in his resident public school district is considered to have returned to a public school for the purpose of determining the end of the term.

(F) The department may suspend or deactivate an account for substantial misuse or the scholarship student leaves the program for any reason, at which time any remaining funds must revert to the ESTF.

(G) Unused funds must be rolled over to the following school year for a scholarship student who applies and continues to meet eligibility requirements to participate in the program.

(H) A scholarship terminates automatically if the student is no longer domiciled in this State, and any money remaining in the account reverts to the ESTF.

(I) Only one account may be established for a scholarship student.

Section 59‑8‑130. If scholarship student’s program of academic instruction is terminated for any reason before the end of the semester or school year and the student does not resume instruction within thirty days, then the parent shall notify the department and remaining funds in the account reverts to the ESTF.

Section 59‑8‑135. (A) Beginning with the 2023‑2024 School Year, the annual number of ESTF students is limited by the following capacity:

(1) in School Year 2023‑2024, the program is limited to five thousand scholarship students;

(2) in School Year 2024‑2025, the program is limited to ten thousand scholarship students; and

(3) in School Year 2025‑2026, and for all subsequent school years, the program is limited to fifteen thousand scholarship students.

(B) In 2026, and every five years thereafter, the department shall conduct an eligibility and use review of the program and shall make recommendations to the General Assembly to improve the program.

Section 59‑8‑140. (A)(1) The department must develop an application approval process for participation in the ESTF program for education service providers.

(2) The department must require an independent school that applies to be an education service provider to be located in the State, to have an educational curriculum that includes courses set forth in the state’s diploma requirements and to meet the compulsory attendance and State Board of Education approval requirements in Section 59-65-10.

(3) An education service provider that participated in the program in the previous school year and desires to participate in the program in the current school year shall reapply to the department. The education service provider reapplying shall certify to the department that it continues to meet all program requirements. An education service provider required to administer academic testing shall provide to the department test score data from the previous school year. If individual student test score data is not submitted, then the department shall remove the education service provider from the program.

(4) By February first of each year, the department will certify the list of approved education service providers for participation in the program that meet all program requirements. The department may waive the deadline requirement upon good cause shown by an education service provider.

(5) An education service provider that is denied approval 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.

(6) By February fifteenth of each year, the department shall publish on its website a comprehensive list of approved education service providers. The list must include the name, address, telephone number, and website address for each education service provider.

(B) If approved by the department, new education service providers may be added to the list of approved providers on a rolling basis. The providers will be added to the comprehensive list available on the departments website.

(C) The department may bar an education service provider from the program if the department establishes that the education service provider has:

(1) failed to comply with the accountability standards established in this section; or

(2) failed to provide the scholarship student with the educational services funded by the account.

(D) The department shall create procedures to ensure that a fair process exists to determine whether an education service provider should be barred from receiving payments from accounts.

(1) If the department decides to bar an education service provider from the program, it shall notify affected students and their parents of this decision as quickly as possible.

(2) Education service providers may appeal the department’s decision to bar the education service provider from receiving payments from accounts pursuant to the Administrative Procedures Act.

(E) The State Board of Education shall promulgate regulations to allow scholarship students to return to their resident school districts during the course of their participation in the program.

Section 59‑8‑145. (A) The department shall adopt procedures to inform students and their parents annually of their eligibility for the program.

(B) The department shall adopt procedures to annually inform scholarship students and their parents of the approved education service providers.

(C) The department shall provide to parents of a scholarship student written instructions for the allowable uses of an account and the responsibilities of parents and the duties of the department.

(D) The department may declare that a parent is ineligible for continuation in the program due to substantial misuse of their account funds.

(E) The department may conduct or contract for the auditing of accounts, and shall, at a minimum, conduct random audits of accounts on an annual basis.

(F) The department may refer cases of substantial misuse of funds to law enforcement agencies for investigation.

(G) The department may contract with one or more qualified organizations to administer some or all portions of this program.

(H) The department shall maintain a record of the number of applications received annually for the program, the number of students accepted into the program each year, and the number of students not accepted into the program each year with a corresponding explanation as to why the student was not accepted into the program. The department shall compile this information and provide a report to the General Assembly by December thirty‑first of each year.

Section 59‑8‑150. (A) To ensure equitable treatment and personal safety of all scholarship students, all education service providers shall:

(1) comply with all applicable health and safety laws or codes;

(2) hold a valid occupancy permit if required by the municipality in which the education service provider is located;

(3) not unlawfully discriminate on the basis of race, color, religion, or national origin; and

(4) conduct criminal background checks on employees and exclude from employment anyone who:

(a) is not permitted by state law to work in a school;

(b) reasonably might pose a threat to the safety of students; or

(c) is listed on federal, state, or other central child abuse registries.

(B) To ensure that funds are spent appropriately, all education service providers shall:

(1) provide parents with a receipt for all qualifying expenses; and

(2) demonstrate their financial viability by filing a surety bond with the department prior to the start of the school year if they are to receive fifty thousand dollars or more during the school year.

(C) In order to allow parents and the public to measure the achievements of the program, academic progress must be documented annually for each scholarship student. Students with an Individualized Education Plan that cannot be accommodated with standardized testing are excluded from the requirements of item (1). Education service providers that provide academic instruction must monitor the progress of students with significant cognitive disabilities through alternative assessments including portfolios.

(1) Education service providers that provide full‑time academic instruction shall:

(a) ensure that each scholarship student in grades three through twelve takes a nationally norm-referenced or formative assessment approved by the department. Students with disabilities for whom standardized testing is not appropriate are exempt from this requirement; and

(b) measure academic performance and annual learning gains of its scholarship students by:

(i) requiring that each scholarship student takes either an approved nationally norm-referenced assessment annually, or an approved formative assessment in the fall and spring, to measure learning gains in math and reading; and

(ii) collecting high school graduation information of scholarship students for reporting to the department as required in this section.

(2) For the purpose of evaluating program effectiveness, education service providers that provide full‑time academic instruction shall ensure that results in item (1) are:

(a) provided to the parent of a scholarship student and must be provided to the department on an annual basis, beginning with the first year of program implementation; and

(b) disaggregated by grade level, gender, family income level, race, and English learner status.

(3) The department, or the appropriate organization chosen by the department, if any, must be informed of the scholarship student’s graduation from high school.

(D) The department shall:

(1) comply with all student privacy laws;

(2) collect all test results;

(3) annually provide individual student assessment results and information to the Education Oversight Committee. The transmission of the information must be made in a manner that safeguards the data to ensure student privacy.

(E) The Education Oversight Committee shall:

(1) comply with all student privacy laws;

(2) report on and publish associated learning gains and graduation rates to the public by means of a state website with data aggregated by grade level, gender, family income level, number of years participating in the program, and race and a report for any participating school if at least fifty-one percent of the total enrolled students in the private school participated in the ESTF program in the prior school year or if there are at least thirty participating students who have scores for tests administered. If the Education Oversight Committee determines that the thirty participating-student cell size may be reduced without disclosing the personally identifiable information of a participating student, the Education Oversight Committee may reduce the participating-student cell size, but the cell size may not be reduced to fewer than ten participating students;

(3) evaluate and report the academic performance of scholarship students compared to similar public school populations; and

(4) collaborate with the department to develop and administer an annual parental satisfaction survey for all parents of scholarship students on issues relevant to the ESTF program, to include effectiveness and length of the program participation. Results of this survey must be provided to the General Assembly by December thirty‑first of each year.

(F) An education service provider, not a public school, is autonomous and not an agent of the state or federal government, therefore:

(1) the department or any other state agency may not regulate the educational program of an approved education provider that accepts funds from an account;

(2) the creation of the program does not expand the regulatory authority of the State, its officers, or a school district to impose regulation of education service providers beyond those necessary to enforce the requirements of the program;

(3) the freedom of education service providers to provide for the educational needs of scholarship students without governmental control must not be abridged;

(4) an education service provider that accepts payment by a parent from an ESTF account pursuant to this chapter is not an agent of the state or federal government; and

(5) education service providers shall not be required to alter their creeds, practices, admissions policy, or curriculum in order to accept payments by a parent from an ESTF account.

Section 59‑8‑155. The scholarship student’s resident school district shall provide a parent and the education service providers designated by the parent with a complete copy of the student’s school records, while complying with the Family Educational Rights and Privacy Act of 1974, 20 U.S.C. Section 1232(g).

Section 59‑8‑160. (A) There is created the ‘ESTF Review Panel’ that shall serve as an advisory panel to the department.

(B) The review panel shall consist of ten members, pursuant to the following:

(1) the Governor or his designee, who shall serve as the chair of the panel;

(2) three members to be appointed by the Governor;

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

(4) one member appointed by the President of the Senate;

(5) one member appointed by the Chairman of the House of Representatives Education and Public Works Committee;

(6) one member appointed by the Chairman of the Senate Education Committee; and

(7) two parents of scholarship students to be appointed by the Governor.

(C) The review panel may advise the department on whether certain expenses meet the requirements to be considered a qualified expense under this chapter when requested by the department. The review panel periodically may make recommendations to the General Assembly about improving the program.

(D) Members shall serve at the pleasure of their appointing authority. In making appointments to the panel, the appointing authorities, as appropriate, shall consider legal, financial, accounting, and marketing experience and race, gender, and other demographic factors to ensure nondiscrimination, inclusion, and representation of all segments of the State to the greatest extent possible.

(E) Members may not receive mileage or per diem.

SECTION 3. If any section, subsection, paragraph, subparagraph, sentence, clause, phrase, or word of this act is for any reason held to be unconstitutional or invalid, then such holding shall not affect the constitutionality or validity of the remaining portions of this act, the General Assembly hereby declaring that it would have passed this act, and each and every section, subsection, paragraph, subparagraph, sentence, clause, phrase, and word thereof, irrespective of the fact that any one or more other sections, subsections, paragraphs, subparagraphs, sentences, clauses, phrases, or words hereof may be declared to be unconstitutional, invalid, or otherwise ineffective.

SECTION 4. This act takes effect thirty days after approval by the Governor, provided that upon approval of this act by the Governor, the Department of Education shall begin undertaking and executing responsibilities incidental to the implementation of this act so that the provisions of this act may be fully implemented thirty days after approval by the Governor. /

Renumber sections to conform.

Amend title to conform.

Senator FANNING spoke on the amendment.

**Motion Adopted**

On motion of Senator SETZLER, with unanimous consent, Senators SETZLER, WILLIAMS, CORBIN, SHEALY and GAMBRELL were granted leave to attend a subcommittee meeting and were granted leave to vote from the balcony.

Senator FANNING resumed speaking on the amendment.

**Point of Quorum**

At 11:51 A.M., Senator K. JOHNSON made the point that a quorum was not present. It was ascertained that a quorum was present. The Senate resumed.

Senator FANNING resumed speaking on the amendment.

The question then was the adoption of the amendment.

The amendment was adopted.

**Amendment No. 2**

Senator FANNING proposed the following amendment (WAB\  
935C004.RT.WAB22):

Amend the bill, as and if amended, by striking all after the enacting words and inserting:

/ SECTION 1. Article 25, Chapter 6, Title 12 of the 1976 Code is amended by adding:

“Section 12‑6‑3791. (A) As used in this section:

(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;

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

(f) is a member in good standing of the South Carolina Association of Christian Schools, the South Carolina Independent Schools Association, the Palmetto Association of Independent Schools, the American Montessori Society, the International Montessori Council, or the National Association of Private Schools or alternatively accredited by Cognia or the National Council for Private School Accreditation.

(2) ‘Exceptional needs child’ means a child:

(a)(i) 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

(ii) who has been diagnosed as either permanently or 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; and

(b) the child’s parents or legal guardian believes that the services provided by the school district of legal residence do not sufficiently meet the needs of the child.

(3) ‘Disadvantaged child’ means a child who is eligible for the federal free or reduced lunch program and whose family meets the qualifications for federal Medicaid benefits.

(4) ‘PACE Scholarship child’ means a child who is a South Carolina resident who, immediately before receiving a scholarship or tuition grant under this section and enrolling in an eligible school or program, was enrolled in a South Carolina secondary or primary public school or who is eligible to enroll in a qualified first grade, kindergarten, or prekindergarten program; provided, however, that if a student is considered to be an eligible student pursuant to this item, he shall continue to qualify as such until he graduates, reaches the age of twenty, or returns to a public school, whichever occurs first; and provided, further, that the enrollment requirement must be waived in the case of a student who, based on the school attendance zone of his primary residence, is or would be assigned to a public school that the South Carolina Department of Education determines to be a low‑performing priority school, or who is the subject of an officially documented case of school‑based physical or psychological violence or student‑related verbal abuse threatening physical harm immediately before receiving a scholarship or tuition grant under this section.

(5) ‘Nonprofit scholarship funding organization’ means a charitable organization that:

(a) is exempt from federal tax pursuant to Section 501(a) of the Internal Revenue Code by being listed as an exempt organization in Section 501(c)(3) of the tax code;

(b) allocates at least ninety‑five percent of its annual contributions received during a particular year to provide grants for tuition to children enrolled in an eligible school meeting the criteria of this section and grants for home school curriculum fees, and incurs administrative expenses annually of not more than five percent of its annual contributions for a particular year to cover operational costs;

(c) allocates all of its funds used for grants on an annual basis to children who are exceptional needs, disadvantaged, PACE Scholarship children, or for home school curriculum fees;

(d) does not provide grants only for the benefit of one school, and if the Treasurer determines that the nonprofit scholarship funding organization is providing grants to one particular school, the tax credit allowed by this section may be disallowed;

(e) does not have as a volunteer, contractor, consultant, fundraiser, or member of its governing board, any parent, legal guardian, or member of their immediate family who has a child or ward who is currently receiving or has received a scholarship grant authorized by this section from the organization within one year of the date the parent, legal guardian, or member of their immediate family became a board member;

(f) does not have as a member of its governing board or an employee, volunteer, contractor, consultant, or fundraiser who has been convicted of a felony;

(g) does not release personally identifiable information pertaining to students or donors or use information collected about donors, students, or schools for financial gain; and

(h) does not place conditions on schools enrolling students receiving scholarships to limit the ability of the schools to enroll students accepting grants from other nonprofit scholarship funding organizations.

(6) ‘Parent’ means the natural or adoptive parent or legal guardian of a child.

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

(8) ‘Qualifying student’ means a student who is either (i) an exceptional needs child, (ii) a disadvantaged child, or (iii) a PACE Scholarship child, a South Carolina resident, and who is eligible to be enrolled in a South Carolina secondary or elementary public school at the prekindergarten or later‑year level for the applicable school year.

(9) ‘Resident public school district’ means the public school district in which a student resides.

(10) ‘Transportation’ means transportation to and from school only.

(11) ‘Tuition’ means the total amount of money charged for the cost of a qualifying student to attend an eligible school including, but not limited to, fees for attending the school, textbook fees, and school‑related transportation.

(12) ‘School year’ means July first through June thirtieth each year.

(13) ‘Home school’ means a home, residence, or location where a parent or legal guardian teaches one or more children as authorized pursuant to Section 59‑65‑40, 59‑65‑45, or 59‑65‑47.

(14) ‘Home school child’ means any child attending an eligible home school.

(15) ‘Treasurer’ means the Office of the State Treasurer.

(16) ‘Home school curriculum fees’ means the total amount of money charged for instruction‑related expenditures of a home school child to attend an eligible home school including, but not limited to, curriculum packages, textbooks, digital education, and testing materials.

(B)(1) A person is entitled to a tax credit against income taxes imposed pursuant to this chapter, or bank taxes imposed pursuant to Chapter 11 of this title for the amount of cash and the monetary value of any publicly traded securities the person contributes to a nonprofit scholarship funding organization up to the limits of this section 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 section; and

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

(2) A person is entitled to a tax credit against income taxes imposed pursuant to this chapter, or bank taxes imposed pursuant to Chapter 11 of this title for the amount of cash and the monetary value of any publicly traded securities the taxpayer contributes to a nonprofit scholarship funding organization up to the limits of this section if:

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

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

(3) A person is entitled to a tax credit against income taxes imposed pursuant to this chapter, or bank taxes imposed pursuant to Chapter 11 of this title for the amount of cash and the monetary value of any publicly traded securities the taxpayer contributes to a nonprofit scholarship funding organization up to the limits of this section if:

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

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

(4) A person is entitled to a tax credit against income taxes imposed pursuant to this chapter, or bank taxes imposed pursuant to Chapter 11 of this title for the amount of cash and the monetary value of any publicly traded securities the person contributes to a nonprofit scholarship funding organization up to the limits of this section if:

(a) the contribution is used to provide grants for home school curriculum fees to home school children attending a home school who qualify for these grants under the provisions of this section; and

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

(C)(1) Grants may be awarded by a scholarship funding organization for a school year in an amount not exceeding eleven thousand dollars or the total cost of tuition, whichever is less, for qualifying students who are either (i) exceptional needs or (ii) disadvantaged at an eligible school. Before awarding any grant, a scholarship funding organization must receive written documentation from the parent documenting that the qualifying student is an exceptional needs or disadvantaged child. Upon approving the application, the scholarship funding organization shall issue a paper check payable to the parent or guardian of the qualifying student and deliver it to the eligible school. If 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 shall return a prorated amount of the grant to the scholarship funding organization 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.

(2) Grants may be awarded by a scholarship funding organization for a school year in an amount not exceeding the average state expenditures for each student in fall enrollment in public elementary and secondary education for this State or the total cost of tuition, whichever is less, for qualifying students who are PACE Scholarship children at an eligible school. The Treasurer shall determine and publish such amount annually, no later than January first. Upon approving the application, the scholarship funding organization shall issue a paper check payable to the parent or guardian of the qualifying student and deliver it to the eligible school. If 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 shall return a prorated amount of the grant to the scholarship funding organization 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.

(3) Grants may be awarded by a scholarship funding organization for a school year in an amount not exceeding one thousand dollars or the total cost of home school curriculum fees, whichever is less, for a qualifying home school child attending a home school. Before awarding any grant, a scholarship funding organization shall receive written documentation from the parent documenting that the student is a home school child. A scholarship funding organization may reimburse a parent directly for expenditures actually paid for home school curriculum fees, or pay vendors directly for home school curriculum fees on behalf of the home school child.

(D)(1)(a) The tax credits authorized by subsection (B)(1) may not exceed cumulatively a total of twenty‑five million dollars each calendar year for contributions made on behalf of exceptional needs students.

(b) The tax credits authorized pursuant to subsection (B)(2) may not exceed cumulatively a total of twenty‑five million dollars each calendar year for contributions on behalf of disadvantaged children.

(c) The tax credits authorized pursuant to subsection (B)(3) may not exceed cumulatively a total of forty million dollars each calendar year for contributions on behalf of PACE Scholarship children.

(d) The tax credits authorized pursuant to subsection (B)(4) may not exceed cumulatively a total of ten million dollars each calendar year for contributions on behalf of home school children.

(e) If the department determines that the total of the credits claimed in this subsection by all taxpayers exceeds the limit amount, it shall allow credits only up to those amounts on a first‑come, first‑served basis.

(f) The tax credits authorized pursuant to subsection (B)(1), (2), (3), or (4) are automatically and permanently increased by twenty‑five percent in the succeeding calendar year whenever the total of the specific individual credit claimed meets the limit amount.

(g) The department, in coordination with the Treasurer, 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. The credit must be claimed on the return for the tax year that the contribution is made.

(2) A taxpayer may not claim more than one hundred percent of his total tax liability for the tax year in contributions toward the tax credits authorized by subsection (B). This credit is not refundable. If the credit exceeds the taxpayer’s tax liability for the taxable year, the excess amount may be carried forward for credit against income or bank taxes in the next ten succeeding taxable years.

(3) If a taxpayer deducts the amount of the contribution on the taxpayer’s federal return and claims the credit allowed by this section, then the taxpayer shall add back the amount of the deduction for purposes of South Carolina income or bank taxes.

(4) The department shall prescribe the form and manner of proof required to obtain the credits authorized by subsection (B). Also, the department, in coordination with the Treasurer, shall develop a method of informing taxpayers if the credit limit is met at any time during the year.

(E) A corporation or entity entitled to a credit under subsection (B) may not convey, assign, or transfer the credit authorized by this section to another entity unless all of the assets of the entity are conveyed, assigned, or transferred in the same transaction.

(F) Except as otherwise provided, the Department of Education, the Department of Revenue, the Treasurer, or any other state agency may not regulate the educational programs of an eligible school that accepts students receiving scholarship grants pursuant to this section.

(G)(1) The Treasurer shall approve and oversee the scholarship funding organizations and address any citizen concerns about the programs’ administration at eligible schools or with the scholarship funding organizations.

(2) By August first of each year, each nonprofit scholarship funding organization shall apply with the Treasurer to be considered an eligible organization for the succeeding calendar year for which its contributors are allowed the tax credit provided by this section. If a nonprofit scholarship funding organization does not apply, the organization may not be published as an approved organization, and contributions to that organization must not be allowed for purposes of the credit allowed by this section. A nonprofit scholarship funding organization’s application must contain:

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

(b) for each grant issued to an eligible school in the preceding school 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 the organization’s Form 990 or other comparable federal submission that indicates the provisions of the Internal Revenue Code under which the organization has been granted exempt status for purposes of federal taxation;

(e) a copy of a compilation, review, or audit of the organization’s financial statements, conducted by a certified public accounting firm;

(f) the criteria and eligibility requirements for scholarship awards; and

(g) a certification by the organization that it meets the definition of a nonprofit scholarship funding organization as that term is defined in subsection (A)(5) and that the report is true, accurate, and complete under penalty of perjury in accordance with Section 16‑9‑10.

(3) The Treasurer shall disclose on its website the names of qualifying nonprofit scholarship funding organizations and eligible schools. The Treasurer also may disclose the names of nonprofit scholarship funding organizations that applied but were not qualified by the Treasurer and those organizations whose eligibility has been revoked in accordance with subsection (H)(2), as well as the reason the application of the organization was not accepted or the reason its qualification was revoked.

(4) By September first of each year, the Treasurer shall publish on its website a list of all qualifying nonprofit scholarship funding organizations for the succeeding calendar year, to include their names, addresses, telephone numbers, and, if available, website addresses. Also, the results of the audit required by item (2)(e) must be published with the list.

(5) By January fifteenth of each year, the Treasurer shall 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 by each scholarship funding organization in the prior school year;

(b) the identity of the school and the amount of each grant issued to an eligible school in the prior school year by each scholarship funding organization;

(c) an itemization and detailed explanation of fees or other revenues obtained from or on behalf of an eligible school by any scholarship funding organization;

(d) a copy of the each scholarship funding organization’s Form 990 or other comparable federal submission that indicates the provisions of the Internal Revenue Code under which the organization has been granted exempt status for purposes of federal taxation;

(e) a copy of a compilation, review, or audit of each scholarship funding organization conducted by a certified public accounting firm as provided to the Treasurer by each scholarship funding organization in their application to participate in the program; and

(f) the criteria and eligibility requirements for scholarship awards of each scholarship funding organization as provided to the Treasurer by each scholarship funding organization in their application to participate in the program.

(6) The Treasurer may request an audit of a scholarship funding organization by the department if the Treasurer believes an organization is in violation of the provisions of this section.

(H)(1) The department has authority to examine and audit the nonprofit scholarship funding organizations when requested by the Treasurer, including determining whether the nonprofit scholarship funding organization is being operated in a manner consistent with the requirements for an IRC Section 501(c)(3) organization or is in compliance with any other provision of this section.

(2)(a) If during a requested audit the department acquires evidence that a nonprofit scholarship funding organization is not being operated in a manner consistent with the requirements for operating an IRC Section 501(c)(3) organization or is not in compliance with any other substantial provision of this section, the department immediately may revoke the organization’s participation in the program and shall notify the organization and the Treasurer in writing of the revocation.

(b) Actual notice of revocation may be provided to the organization by personal delivery to the organization, by certified return receipt mail to the last known address of the organization, or by other means reasonably designed to provide actual notice to the organization.

(c) Any donations made following the date the actual notice of revocation are received by the organization do not qualify for the credit and the donated funds must be returned to the donor by the organization.

(d)(i) Within thirty days after the day on which the organization is provided actual notice of the revocation, the organization may request a contested hearing before the Administrative Law Court. Within seven days after a request for a contested case hearing is received by the Administrative Law Court, an administrative law judge shall hold the contested case hearing and determine whether the revocation was reasonable under the circumstances. The department has the burden of proof of showing that the revocation was reasonable under the circumstances. The revocation is ‘reasonable’ if the department has substantial credible evidence that the organization is not being operated in a manner consistent with the requirements for operating an IRC Section 501(c)(3) organization or is not in compliance with other substantial provisions of this section. If the organization does not request a contested case hearing within thirty days of the immediate revocation, the revocation is permanent.

(ii) If the administrative law judge determines that the immediate revocation was reasonable, the administrative law judge shall remand the case to the department to issue a department determination for permanent revocation within the time period determined by the judge. The organization may appeal this department determination in accordance with Section 12‑60‑460. At the contested case hearing on the department determination, the parties may raise new issues and arguments in addition to those issues and arguments previously presented at the immediate revocation hearing.

(iii) If the administrative law judge determines that immediate revocation is not reasonable, the revocation must be lifted and the organization may resume accepting donations and award scholarships hereunder. The department may still issue a department determination in accordance with Section 12‑60‑450(E)(2).

(iv) If at any time during the process, the department believes the organization is in compliance, the department may reinstate the organization and notify the Treasurer.

(v) Following the permanent revocation of a nonprofit scholarship funding organization, the department has the authority to oversee the transfer of donated funds of the revoked organization to other nonprofit scholarship funding organizations.

(I) A nonprofit scholarship funding organization may transfer funds to another nonprofit scholarship funding organization, especially if the organization cannot distribute the funds in a timely manner or if the organization ceases to exist. The funds that are transferred by one nonprofit scholarship funding organization to another only may be considered by one organization when calculating its administrative expenses.”

SECTION 2. Section 12‑6‑3790 of the 1976 Code is repealed.

SECTION 3. This act takes effect upon approval by the Governor and applies to income tax years beginning after 2021. All tax credits earned as a result of a contribution made to a scholarship funding organization in 2022 apply to the cumulative total of twenty‑five million dollars for exceptional needs children, twenty‑five million dollars for disadvantaged children, forty million dollars to PACE Scholarship children, and ten million dollars for home school children, regardless of when in 2022 the contribution is made. All necessary reports and forms must be submitted as soon as practicable upon the enactment of this act./

Renumber sections to conform.

Amend title to conform.

Senator FANNING explained the amendment.

Debate was interrupted by adjournment.

**Motion Adopted**

On motion of Senator MASSEY, with unanimous consent and Senator FANNING retaining the floor on S. 935, the Senate agreed that if and when the Senate stands adjourned today, that it will adjourn to meet Tuesday, March 29, 2022, at 2:00 P.M.

**Motion to Ratify Adopted**

At 1:52 P.M., Senator MASSEY asked unanimous consent to make a motion to invite the House of Representatives to attend the Senate Chamber for the purpose of ratifying Acts at a mutually convenient time.

There was no objection and a message was sent to the House accordingly.

**Motion Adopted**

On motion of Senator MASSEY, the Senate agreed to stand adjourned.

**ADJOURNMENT**

At 1:55 P.M., on motion of Senator MASSEY, the Senate adjourned to meet tomorrow at 11:00 A.M. under the provisions of Rule 1 for the purpose of taking up local matters and uncontested matters which have previously received unanimous consent to be taken up.

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