



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3034	Amended by the House of Representatives on March 22, 2017
Author:	Daning	
Subject:	In-State Tuition	
Requestor:	Senate Education	
RFA Analyst(s):	Walling	
Impact Date:	April 3, 2017	

Estimate of Fiscal Impact

	FY 2017-18	FY 2018-19
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	Undetermined	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill is expected to affect the number of students qualifying for in-state tuition but data is unavailable to estimate the impact on total revenue, and therefore, the impact on Other Funds is undetermined.

Explanation of Fiscal Impact

Amended by the House of Representatives on March 22, 2017

State Expenditure

N/A

State Revenue

This bill amends Section 59-112-50 to change the in-state tuition eligibility requirements for veterans and related persons receiving educational assistance. Currently, a covered individual may receive in-state tuition regardless of the length of time the individual has lived in the state. Covered individuals include a veteran with 90 days or more of active duty service who enrolls within three years of discharge and individuals receiving assistance under U.S. Code Sections 3311(b)(9) or 3319 of Title 38, which provide educational assistance to uniformed service members and their spouses and children.

The bill changes covered individuals to specify that a person receiving assistance under U.S. Code Section 3319 must enroll within three years of the veteran's discharge. These individuals retain eligibility after the initial three years so long as they remain continuously enrolled or transfer to another in-state institution without a break in enrollment. The bill amends the

definition of covered individual further to include a person using transferred benefits while the transferor is on active duty.

The Public Institutions of Higher Education. Most institutions expect more students to qualify for in-state tuition and therefore reduce Other Funds revenue, but the level of impact varies. The total impact, therefore, is undetermined. Five institutions, The Citadel, Coastal Carolina University, the College of Charleston, the Medical University of South Carolina, and South Carolina State identified students who would qualify for in-state tuition under the bill. Two institutions, Clemson University and Winthrop University, provided the range of the impact based upon identified students who may qualify but did not have sufficient data to determine the exact amount. One institution, the University of South Carolina, was unable to determine the number of students potentially affected. Two institutions, Francis Marion University and Lander University, and the Technical College Board do not expect a significant impact due to the limited number of students impacted. None of the institutions identified any reduction in eligibility as a result of requiring a person receiving assistance under U.S. Code Section 3319 to enroll within three years of the veteran's discharge. Any students losing eligibility for in-state tuition as a result of this change would have to pay out-of-state tuition and thereby potentially increasing Other Funds revenue. In total, the impact on Other Funds is undetermined due to insufficient data on how the bill will impact student eligibility for in-state tuition. The responses provided by each institution are as follows:

- Clemson University identified veteran 38 students who may receive in-state tuition under this bill, which would reduce the institution's revenue by up to \$800,000.
- The Medical University of South Carolina indicated \$145,000 in lost revenue from reclassifying students from out-of-state to in-state tuition rates.
- Coastal Carolina University reported 30 students would become eligible for in-state tuition and reduce the institution's revenue by \$427,320.
- The College of Charleston projects a \$72,632 reduction in revenue from four out-of-state students receiving in-state tuition under this bill.
- Winthrop University reported an estimated loss of \$50,000 to \$75,000 based on historical enrollment of students who would qualify for in-state tuition.
- The University of South Carolina system could not determine the number of students who would receive in-state tuition under the bill, but for each out-of-state student reclassified as an in-state student, the institution would lose \$19,428 per year in revenue.
- The Citadel expects a revenue reduction of \$752,340 based on 40 currently enrolled students who would become eligible for in-state tuition.
- South Carolina State University reported this bill would decrease Other Fund revenue by \$262,500 based on current veteran enrollment.

- Lander University, Francis Marion University, and the South Carolina Technical Systems all indicated any revenue reduction from this bill is expected to be minimal due to the limited number of students who would become eligible for in-state tuition under this bill.

Local Expenditure

N/A

Local Revenue

N/A

Introduced on January 10, 2017**State Expenditure**

N/A

State Revenue

This bill makes the criteria veterans' dependents must meet to pay in-state tuition at South Carolina public institutions of higher education less restrictive. The revenue impact of this bill is pending, contingent upon a response from the public institutions of higher education.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director