



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4639 As signed by the Governor on March 14, 2016
Author: Allison
Subject: Interstate Reciprocity Agreements
Requestor: House of Representatives
RFA Analyst(s): Walling
Impact Date: July 25, 2016

Estimate of Fiscal Impact

	FY 2016-17	FY 2017-18
State Expenditure		
General Fund	\$0	\$0
Other and Federal	\$165,750	\$124,500
Full-Time Equivalent Position(s)	1.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	\$0	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill would increase Other Fund expenditures by \$165,750 in FY 2016-17 and by \$124,500 in FY 2017-18 and each year thereafter. This bill has no impact on General Fund or Federal Fund expenditures.

Explanation of Fiscal Impact

Explanation of Amendment by the Senate on March 2, 2016

State Expenditure

The amendment divides code subsections added by the original bill into additional subsections and makes grammatical changes. The expenditure impact of the bill as amended is unchanged from the bill as filed on January 12, 2016.

The Commission on Higher Education indicates this bill would increase Other Fund expenditures by \$165,750 to cover non-recurring costs of \$41,250 and recurring costs of \$124,500. The non-recurring expenditures are related to the cost of system implementation (\$31,250) and estimated legal costs for the development of policies and application documents (\$10,000). Of the recurring costs, CHE will expend \$88,000 for the salary and fringe of a new Program Coordinator II position, which will be responsible for administering the program. The remaining recurring funds of \$36,500 will be used to cover ongoing systems maintenance cost (\$6,500) and estimated legal costs relating to the development and administration of a student complaint system (\$30,000).

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A

Explanation of Bill Filed on January 12, 2016**State Expenditure**

This bill adds Section 59-103-47 to allow the Commission on Higher Education (CHE) to enter interstate reciprocity agreements that authorize accredited degree-granting institutions of higher education in this State to offer postsecondary distance education. In administering the program, CHE is authorized to approve and disapprove higher education participation, establish fees to be paid by participating institutions to cover the administrative direct and indirect costs, and develop policies and procedures as needed to govern the reciprocity agreements.

The Commission on Higher Education indicates this bill would increase Other Fund expenditures by \$165,750 to cover non-recurring costs of \$41,250 and recurring costs of \$124,500. The non-recurring expenditures are related to the cost of system implementation (\$31,250) and estimated legal costs for the development of policies and application documents (\$10,000). Of the recurring costs, CHE will expend \$88,000 for the salary and fringe of a new Program Coordinator II position, which will be responsible for administering the program. The remaining recurring funds of \$36,500 will be used to cover ongoing systems maintenance cost (\$6,500) and estimated legal costs relating to the development and administration of a student complaint system (\$30,000).

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director