

FISCAL IMPACT STATEMENT ON BILL NO. **H3086, House Amendment**

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TO: The Honorable Phillip D. Owens, Chairperson, House Education and Public Works Committee

FROM: State Budget Division, Budget and Control Board

ANALYSTS: Nicole Ford-Jennings

DATE: March 26, 2013 SBD: 2013173

AUTHOR: House Education & Public Works Committee PRIMARY CODE CITE: 59-112-50

SUBJECT: Veterans, Dependents of Veterans and In-State Tuition

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

ESTIMATED FISCAL IMPACT ON FEDERAL & OTHER FUND EXPENDITURES:
See Below

BILL SUMMARY:

The House Amendment to 3086 amends Title 59, Chapter 112 of the Code of Laws, 1976, by revising Section 59-112-50 to provide that veterans who have been honorably discharged, and their dependents, who are not otherwise eligible for in-state tuition rates, are entitled to receive in-state tuition rates at state institutions. Students determined eligible are required to enroll within two years of the date of the veterans' discharge at a state institution and have proof of intent to establish residency in South Carolina. As long as the student remains continuously enrolled at a state institution or transfer to an eligible institution during the term, the in-state tuition rate is applicable.

EXPLANATION OF IMPACT:

Based on the colleges' and universities' individual responses to the Commission on Higher Education (CHE) survey, the legislation would impact tuition and fee revenues collected. The provision would enable eligible students to pay in-state rates for the year during which in-state residency is being established, and retain the in-state rate for each year following that they remain enrolled. The cost results from loss of the tuition differential for each eligible student. For undergraduate full-time students, the in-state, out-of-state student tuition differential per student in FY 2012-13 ranged from \$1,608 to \$18,253. For graduate students, (excluding law, medicine and pharmacy) the differential per student ranges from \$4,302 to \$16,924 (see the attached Schedule).

Currently, CHE does not collect data in such a way to determine the number of students who might become eligible or seek eligibility for in-state tuition and fee rates under the proposed amendment. As well, data is not readily available to aid in determining the amount of revenue that institutions would forgo, if the provision were enacted. Therefore, specific cost estimates could not be calculated.

The State's colleges and universities receive a combination of general fund appropriations and student tuition and fees for support of educational and general operating needs. If any one institution has substantial numbers of eligible students and the loss in revenue resulting from the enactment of the provision is not covered by increased State General Funds, an increase to student tuition and fees would be needed to comply with the legislation.

Approved by:



Brenda Hart
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