

FISCAL IMPACT STATEMENT ON BILL NO. **H3129**

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TO: The Honorable W. Brian White, Chairperson, House Ways and Means Committee
FROM: State Budget Division, Budget and Control Board
ANALYSTS: Nicole Ford-Jennings
DATE: March 15, 2013 SBD: 2013076

AUTHOR: Representative Merrill PRIMARY CODE CITE: 59-112-25
SUBJECT: Tuitions Rates

ESTIMATED FISCAL IMPACT ON GENERAL FUND EXPENDITURES:
See Below

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

BILL SUMMARY:

House Bill 3129 amends Chapter 112, Title 59 of the Code of Laws of South Carolina, 1976, by adding Section 59-112-25 which stipulates that a student who is not domiciled in South Carolina and whose out-of-state tuition rate has not been waived by another provision of law, shall commit to paying the out-of-state rate for the first four years of his education at a public institution of higher learning before the student may be accepted.

EXPLANATION OF IMPACT:

Based on the colleges' and universities' individual responses to the Commission on Higher Education (CHE) survey, CHE determined that a statewide impact could not be quantified. The enactment of this legislation is just as likely to have a negative impact, as it would have a positive impact on tuition and fee revenues. Respondents indicated the following reasons for the potential negative impact on institutional revenues:

- The provision may act to add a punitive step to the enrollment process which could negatively impact the ability to recruit full paying non-resident students.
- Because the law, if enacted, could be seen as excessively penalizing full pay out-of-state students who would be applying to our public universities, it may have legal ramifications for enforcement. The provision would not afford the option for students to legitimately change their residency status should circumstances change and warrant a family legitimately relocating to SC and establishing residency.
- In addition to the cost of deterring nonresident enrollment, there may be, as a result of enforcing such a contract, potential legal and collection efforts which could add to operating costs.
- If the provision discourages nonresident enrollment in our institutions, it was suggested that there may also be a qualitative impact with respect to diversity in institutional enrollments.

Approved by:



Brenda Hart
Assistant Director, State Budget Division