



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

STATEMENT OF ESTIMATED FISCAL IMPACT

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Bill Number: S. 0391 As signed by the Governor on May 7, 2015
Author: Young
Requestor: Senate Education
Date: June 30, 2015
Subject: In-State Tuition Rates for Military Personnel
RFA Analyst(s): Walling, Fulmer and Kincaid

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	\$0	N/A
Other and Federal	\$0	N/A
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	N/A	N/A
Other and Federal	(\$14,766,702)	N/A
Local Expenditure	N/A	N/A
Local Revenue	N/A	N/A

Fiscal Impact Summary

This bill would result in a loss of Other Fund tuition and fee revenues of up to \$14,766,702 due to the in-state/out-of-state tuition differential for each eligible student.

Explanation of Fiscal Impact

Explanation of Amendment (March 18, 2015) –Senate Education

State Expenditure

N/A

State Revenue

The amendment defines a covered individual as active duty military that enrolls in a state supported college within three years of discharge. This amendment to Senate Bill 391 is not expected to have any additional impact; therefore, the impact of the bill as amended is unchanged from the bill as filed.

Local Expenditure and Revenue

N/A

Explanation of Bill as filed January 29, 2015

State Expenditure

N/A

State Revenue

This bill amends Section 59-112-50 to provide that veterans of the Armed Services of the United States and their dependents enrolled in a public institution of higher education and receiving educational assistance under Chapter 30 and Chapter 33, Title 38 of the United States Code are entitled to pay in-state tuition and fees without regard to the length of time the veteran or dependents have resided in South Carolina.

Commission on Higher Education. The commission surveyed all 33 public institutions and based on enrollment information received as of February 2015, there were 8,641 graduate and undergraduates receiving Veterans Administration (VA) educational assistance. Of these, there were 1,086 out-of-state students on VA educational assistance including those who receive Chapters 30 and 33 educational assistance. For undergraduate full-time students, the in-state/out-of-state student differential for the 2014-2015 academic year ranged from \$1,752 to \$19,608 per student. For graduate students (excluding law, medicine, and pharmacy), the differential per student ranged from \$5,206 to \$18,690. Applying the in-state/out-of-state student differential to the number of veterans reported for each institution, the Commission on Higher Education estimates an annual loss of tuition and fees of \$13,698,331 to \$14,766,702.

This bill is intended to bring South Carolina in compliance with Section 702 of the Veterans Access, Choice and Accountability Act of 2014 (Veterans Choice Act) which requires that public institutions provide in-state tuition to individuals covered under the Act. If a covered individual is charged tuition and fees in excess of the rate of in-state residents, Section 702 also requires the Veterans Administration to disapprove educational programs at the public institutions for purposes of education benefits under the Post-9/11 GI Bill and the Montgomery GI Bill (Chapters 30 & 33 of US Code Title 38).

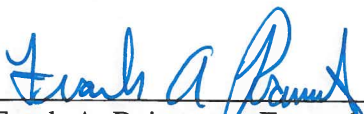
States must be in compliance by July 1, 2015 as Section 702 of the Veterans Choice Act requires disapproval of benefits if not in compliance for terms commencing July 1, 2015 and after. Should legislation not be enacted to bring South Carolina in compliance with Section 702 of the Veterans Choice Act, the public institutions would lose the availability of Chapter 30 and 33 VA benefits for all enrolled students, regardless of residency. The VA estimates that 72% of those on VA education benefits in public institutions are covered under Chapters 30 and 33. Based on that estimate, the Commission on Higher Education further estimates a loss of revenue to public institutions of \$51,932,759 if the state is not in compliance by July 1, 2015.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director