



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: S. 0528 As amended by Senate Education on March 26, 2015
 Author: Setzler
 Requestor: Senate Education
 Date: April 13, 2015
 Subject: Textbooks
 RFA Analyst(s): Walling

Estimate of Fiscal Impact

	FY 2015-16	FY 2016-17
State Expenditure		
General Fund	\$1,008,455	\$595,705
Other and Federal	N/A	N/A
Full-Time Equivalent Position(s)	1.00	0.00
State Revenue		
General Fund	N/A	N/A
Other and Federal	N/A	N/A
Local Expenditure	N/A	N/A
Local Revenue	N/A	N/A

Fiscal Impact Summary

This amended bill would increase General Fund expenditures by \$1,008,455 in FY 2015-16 and \$595,705 in FY 2016-17 and after. No Federal Fund or Other Fund expenditure impact is expected.

Explanation of Fiscal Impact

State Expenditure

This amended bill establishes minimum guidelines and goals aimed at addressing the cost of college textbooks and other instructional materials. Details of each Section added by the bill are discussed below.

Section 59-31-810 mandates each public institution establish and implement a written textbook policy and Section 59-31-820 provides definitions. Section 59-31-830 requires the Commission on Higher Education (CHE) establish guidelines concerning textbook adoption. The guidelines must include compliance with the Higher Education Opportunity Act (HEOA) and require textbook information, including ISBN and prices, be provided to students at registration. Additionally, the guidelines must require a textbook adoption policy that includes adoption deadlines, textbook usage for the course, ensuring text adoptions are submitted by the deadline, and places responsibility with the department chairs to encourage the adoption of the same course materials for all course sections. Section 59-31-840 requires public colleges and universities adopt textbooks used in lower division courses for at least three years and at least two years for upper division courses. Section 59-31-850 requires institutions provide faculty

with best practices in textbook adoption and advising students in textbook cost savings. Additionally, this section requires bookstores provide faculty with textbook information including pricing and any available alternates, provide advice to students regarding textbook purchases, and provide faculty and students with survey results. Section 59-31-860 requires public institutions of higher education develop survey procedures to assess the success of the textbook policy and places the responsibility of the textbook policy implementation and administration with the institution's chief academic officer.

Commission on Higher Education (CHE). CHE expects any costs associated with the new legislature to be absorbed by current agency funding. The bill would have no General Fund, Federal Fund, or Other Fund expenditure impact. The details of each institution of higher education's response is provided below.

University of South Carolina-All Campuses (USC). USC estimates this bill with increase General Fund expenditures for all campuses by \$336,670 in FY 2015-16. This amount includes bookstore IT upgrades (\$100,000) and the cost for the additional duties placed on existing faculty and staff for the guideline development and review (\$236,670). USC expects the costs associated with IT related expenditures to be \$52,000 on a recurring base, resulting in General Fund expenditures of \$286,670 for FY 2016-17 and after. USC expects no impact on Federal or Other Funds.

Clemson University (CU). CU estimates this bill will increase General Fund expenditures by \$310,000 in the first year and \$130,000 for subsequent years. This first year amount is for IT related development costs (\$200,000) and the salary, including fringe, for a textbook coordinator (\$110,000). The recurring cost will cover the salary and fringe of the textbook coordinator (\$110,000) and IT maintenance (\$20,000)

Medical University of South Carolina (MUSC). MUSC reports the Provost Office will be responsible for ensuring implementation and expect the cost of General Fund expenditures for the first year to be \$60,000. This amount will cover the cost for admin assistant with faculty backup in each college and central administration effort. MUSC expects recurring General Fund expenditures of \$45,000. The amended bill will have no Federal Fund or Other Funds expenditure impact.

The Citadel. Citadel reports that the "Faculty Enlight" software used by faculty to transfer book requests to the affiliated bookstore, Barnes and Noble College, provides most of the information required by the bill already. The college expects this bill will have no General Fund, Federal Fund, or Other Funds expenditure impact.

Coastal Carolina University (CCU). CCU reports this bill will have no General Fund, Federal Fund, or Other Funds expenditure impact.

College of Charleston (CofC). CofC reports the bill will increase General Fund expenditures by \$131,250 in one-time costs and \$39,375 in recurring costs. The one-time costs include guidelines development pertaining to Section 59-31-840 (\$18,750), development of information required by Section 59-31-850(A) (\$45,000), and the various survey and assessment

development time (\$67,500). The recurring costs include periodic review of Section 59-31-840 guidelines (\$375) and Section 59-31-850(A) (\$1,500), survey and assessment requirements (\$7,500), and regulatory compliance (\$30,000). The college does not expect Federal or Other Fund expenditures to be impacted.

Francis Marion University (FMU). FMU reports this bill will increase General Fund expenditures by \$26,500. This amount will cover the cost for existing faculty to ensure compliance (\$15,000), supplies and other miscellaneous cost (\$1,500), and time and effort responding to compliance officer's inquiry (\$10,000). No Federal or Other Funds expenditure impact is expected.

Lander University (LU). LU estimates that they will need \$10,000 in non-recurring General Funds to implement this bill. They estimate they will require \$1,500 in recurring General Funds for ongoing expenses associated with survey services. No impact to Federal Fund or Other Fund expenditures is expected.

SC State University (SCSU). SCSU estimates they will need \$83,160 of General Fund appropriations to cover the implementation costs. This amount will pay the salary and fringe for a textbook coordinator position. SCSU does not expect the bill to impact Federal or Other Funds.

Winthrop University (WU). WU could not provide an estimate for but feel the cost for implementing this bill could be upwards of tens of thousands of dollars. However, they did estimate General Fund expenditures would increase by \$10,000 to cover the cost of the extra workload of the textbook coordinator. This bill will not impact Federal or Other Fund expenditures.

Technical Colleges. The SC Technical College System Office reports that the technical colleges would reassign staff roles to comply with the proposed legislature. They expect a minimal increase to General Fund expenditures that could be absorbed. This bill will have no Federal or Other Funds expenditure impact.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director