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COMMITTEE REPORT

March 22, 2017

**S. 531**

Introduced by Senator Young

S. Printed 3/22/17--S.

Read the first time March 9, 2017.

**THE COMMITTEE ON EDUCATION**

To whom was referred a Bill (S. 531) to amend Section 59-112-50(C)(2) of the 1976 Code, relating to the definition of ‘covered individual’ for the purposes of in-state, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

HARVEY S. PEELER, JR. for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**State Revenue**

This bill amends Section 59-112-50 to change the in-state tuition eligibility requirements for veterans and related persons receiving educational assistance. Currently, a covered individual may receive in-state tuition regardless of the length of time the individual has lived in the state. Covered individuals include a veteran with 90 days or more of active duty service who enrolls within three years of discharge and individuals receiving assistance under U.S. Code Sections 3311(b)(9) or 3319 of Title 38, which provide educational assistance to uniformed service members and their spouses and children.

The bill changes covered individuals to specify that a person receiving assistance under U.S. Code Section 3319 must enroll within three years of the veteran’s discharge. These individuals

retain eligibility after the initial three years so long as they remain continuously enrolled or transfer to another in-state institution without a break in enrollment. The bill amends the definition of covered individual further to include a person using transferred benefits while the transferor is on active duty.

**The Public Institutions of Higher Education.** Most institutions expect more students to qualify for in-state tuition and therefore reduce Other Funds revenue, but the level of impact varies. The total impact, therefore, is undetermined. Five institutions, The Citadel, Coastal Carolina University, the College of Charleston, the Medical University of South Carolina, and South Carolina State identified students who would qualify for in-state tuition under the bill. Two institutions, Clemson University and Winthrop University, provided the range of the impact based upon identified students who may qualify but did not have sufficient data to determine the exact amount. One institution, the University of South Carolina, was unable to determine the number of students potentially affected. Two institutions, Francis Marion University and Lander University, and the Technical College Board do not expect a significant impact due to the limited number of students impacted. None of the institutions identified any reduction in eligibility as a result of requiring a person receiving assistance under U.S. Code Section 3319 to enroll within three years of the veteran’s discharge. Any students losing eligibility for in-state tuition as a result of this change would have to pay out-of-state tuition and thereby potentially increasing other funds revenue. In total, the impact on other funds is undetermined due to insufficient data on how the bill will impact student eligibility for in-state tuition. The responses provided by each institution are as follows:

Clemson University identified veteran 38 students who may receive in-state tuition under this bill, which would reduce the institution’s revenue by up to $800,000.

The Medical University of South Carolina indicated $145,000 in lost revenue from reclassifying students from out-of-state to in-state tuition rates.

Coastal Carolina University reported 30 students would become eligible for in-state tuition and reduce the institution’s revenue by $427,320.

The College of Charleston projects a $72,632 reduction in revenue from four out-of-state students receiving in-state tuition under this bill.

Winthrop University reported an estimated loss of $50,000 to $75,000 based on historical enrollment of students who would qualify for in-state tuition.

The University of South Carolina system could not determine the number of students who would receive in-state tuition under the bill, but for each out-of-state student reclassified as an in-state student, the institution would lose $19,428 per year in revenue.

The Citadel expects a revenue reduction of $752,340 based on 40 currently enrolled students who would become eligible for in-state tuition.

South Carolina State University reported this bill would decrease other fund revenue by $262,500 based on current veteran enrollment.

Lander University, Francis Marion University, and the South Carolina Technical Systems all indicated any revenue reduction from this bill is expected to be minimal due to the limited number of students who would become eligible for in-state tuition under this bill.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 59-112-50(C)(2) OF THE 1976 CODE, RELATING TO THE DEFINITION OF ‘COVERED INDIVIDUAL’ FOR THE PURPOSES OF IN-STATE TUITION AND FEES FOR CHILDREN AND SPOUSES OF VETERANS AND ACTIVE DUTY MILITARY PERSONNEL, TO PROVIDE THAT THE DEFINITION INCLUDES A CHILD OR SPOUSE ENROLLING WITHIN THREE YEARS OF A VETERANS DISCHARGE PROVIDED THAT THE CHILD OR SPOUSE WHO IS ENTITLED TO AND RECEIVING ASSISTANCE UNDER SECTION 3319, TITLE 38 OF THE UNITED STATES CODE, A CHILD OR SPOUSE OF ACTIVE DUTY MILITARY PERSONNEL WHO IS ENTITLED TO AND RECEIVING ASSISTANCE UNDER SECTION 3319, TITLE 38 OF THE UNITED STATES CODE, AND A CHILD OR SPOUSE OF ACTIVE DUTY MILITARY PERSONNEL KILLED IN THE LINE OF DUTY WHO IS ENTITLED TO AND RECEIVING ASSISTANCE UNDER SECTION 3311(b)(9), TITLE 38 OF THE UNITED STATES CODE; AND TO AMEND SECTION 59-112-50(C)(4), TO PROVIDE ELIGIBILITY FOR CONTINUOUS ENROLLMENT BEYOND THE THREE YEAR INITIAL ELIGIBILITY PERIOD.

Be it enacted by the General Assembly of the State of South Carolina:

SECTION 1. Section 59-112-50(C)(2) of the 1976 Code is amended to read:

“(2) For purposes of this subsection, a covered individual is defined as:

(a) a veteran who served ninety days or longer on active duty in the Uniformed Service of the United States, their respective Reserve forces, ~~and~~ or the National Guard and who enrolls within three years of discharge; ~~or~~

(b) a person who is entitled to and receiving assistance under Section ~~3311(b)(9) or~~ 3319, Title 38 of the United States Code by virtue of the person's relationship to the veteran described in subitem (a) who enrolls within three years of the veteran’s discharge~~.~~;

(c) a person using transferred benefits under Section 3319, Title 38 of the United States Code while the transferor is on active duty in the Uniformed Service of the United States, their respective Reserve forces, or the National Guard; or

(d) a person who is entitled to and receiving assistance under Section 3311(b)(9), Title 38 of the United States Code.”

SECTION 2. Section 59-112-50(C)(4) of the 1976 Code is amended to read:

“(4) At the conclusion of the applicable three year period in subsection (C)(2)(a) or (C)(2)(b), a covered individual shall remain eligible for in-state rates as long as he remains continuously enrolled in an in-state institution or transfers to another in-state institution during the term or semester, excluding summer terms, immediately following his enrollment at the previous in-state institution. In the event of a transfer, the in-state institution receiving the covered individual shall verify the covered individual's eligibility for in-state rates with the covered individual's prior in-state institution. It is the responsibility of the transferring covered individual to ensure all documents required to verify both the previous and present residency decisions are provided to the in-state institution.”

SECTION 3. This act takes effect upon approval by the Governor.

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