

REPORT OF THE ECONOMIC DEVELOPMENT, CAPITAL IMPROVEMENT & OTHER TAXES SUBCOMMITTEE

(Loftis, Simrill, Clyburn & Crawford - Staff Contact: Alyssa Weeks)

HOUSE BILL 3576

H. 3576 -- Reps. White and Cobb-Hunter: A BILL TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA, 1976, BY ADDING SECTION 59-150-365 SO AS TO ESTABLISH THE SOUTH CAROLINA WORKFORCE INDUSTRY NEEDS SCHOLARSHIP (SC WINS), TO PROVIDE THAT CERTAIN STUDENTS ATTENDING A TWO-YEAR TECHNICAL COLLEGE ARE ELIGIBLE FOR THE SCHOLARSHIP, AND TO PROVIDE ELIGIBILITY REQUIREMENTS.

Received by Ways and Means:

01/15/19

Summary of Bill:

Provides a lottery workforce stipend equal to the cost of mandatory tuition and fees after applying all other scholarships or grants, not to exceed \$2,500 each year, to students attending a two-year public technical college and majoring in a field identified by the Coordinating Council for Workforce Development (CCWD) as part of an industry sector with high demand or critical workforce needs. Stipend recipients will also receive a \$300 book allowance.

Dual enrollment students (high school juniors and seniors) majoring in high demand sectors also qualify for the stipend.

Estimated Expenditure Impact:

This bill will increase expenditures by a range of \$16,509,900 to \$17,260,350, beginning in FY 2019-20, for additional scholarship funds and book allowances awarded by the State Board of Technical and Comprehensive Education (SBTCE). Any expenditure increase would depend on the source and amount of funds appropriated for this purpose as determined by the General Assembly.

Subcommittee Recommendation:

Favorable

Full Committee Recommendation:

Pending



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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|------------------------|--|--|
| Bill Number: | H. 3576 | Introduced on January 15, 2019 |
| Author: | White | |
| Subject: | SC Workforce Industry Needs Scholarship (SC WINS), established | |
| Requestor: | House Ways and Means | |
| RFA Analyst(s): | A. Martin | |
| Impact Date: | January 29, 2019 | Updated for Additional Agency Response |

Fiscal Impact Summary

This bill will increase expenditures by a range of \$16,509,900 to \$17,260,350, beginning in FY 2019-20, for additional scholarship funds and book allowances awarded by the State Board of Technical and Comprehensive Education (SBTCE). However, as this is not an open ended appropriation, any expenditure increase would depend on the amount of funds appropriated for this purpose. The General Assembly would need to determine the appropriate funding source.

This fiscal impact statement has been updated based on a response from SBTCE.

Explanation of Fiscal Impact

Updated for Additional Agency Response

Introduced on January 15, 2019

State Expenditure

This bill establishes South Carolina Workforce Industry Needs Scholarship (SC WINS). This scholarship will be available to students majoring in a critical workforce area program at a two-year public technical college. In addition, the student must also be receiving a Lottery Tuition Assistance Program Scholarship (LTAP). LTAP recipients must be legal residents of the state and be enrolled as degree-seeking students in a minimum of six credit hours. LTAP recipients may not receive the HOPE, LIFE, or Palmetto Fellows Scholarship in addition to LTAP.

The SBTCE will be responsible for defining what constitutes a critical workforce program area. The board annually will communicate with high school guidance counselors regarding the list of majors that qualify for this scholarship. The list of qualifying majors must be reviewed at least every five years and adjusted as needed. Changes to the list of programs must be ratified by the South Carolina Coordinating Council for Workforce Development (CCWD).

The SC WINS scholarship is equal to the remaining cost of attendance after applying all other scholarships or grants. However, the scholarship may not exceed \$2,500 each school year. In addition, each student will receive a \$300 book allowance each year, for a maximum total of \$2,800 per student each year. Each student may receive the scholarship for no more than three years of instruction.

SBTCE estimates there are 9,000 students currently enrolled in public technical colleges that would meet the requirements of this bill. This calculation is based on the unduplicated enrollment count from academic year 2017-18. Since every student is not full-time, we have

based our analysis on cost to the student per credit hour. The annualized average number of credit hours for these students is 16 hours. The average tuition cost is \$175 per credit hour. The average LTAP award is \$95, which leaves a proposed increase in tuition assistance of \$80 per credit hour. Multiplying this \$80 average scholarship by 16 credit hours results in an estimated \$1,280 per student. Providing the SC WINS for 9,000 students would result in \$11,520,000 in additional scholarship funds for tuition and fees.

This bill provides a \$300 book allowance each school year for recipients of this scholarship. In addition to the estimated 9,000 students receiving this scholarship, SBTCE estimates there will be 2,630 eligible students whose tuition and fees are largely paid for by the Pell Grant. These students may still have additional costs for books that are not covered by their awarded LTAP and Pell Grant funds. Providing this book allowance for a total of 11,630 students would create an additional expenditure of \$3,489,000.

At the current enrollment level, this bill would increase expenditures by a total of \$15,009,000 for scholarships and book allowances. SBTCE estimates an increase in enrollment levels of 10 to 15 percent. Taking into account student growth, the cost to provide SC WINS and book allowances for eligible students would range from \$16,509,900 to \$17,260,350, beginning in FY 2019-20. However, as this is not an open ended appropriation, any expenditure increase would depend on the amount of funds appropriated for this purpose. The General Assembly would need to determine the appropriate funding source.

This fiscal impact statement has been updated based on a response from SBTCE.

State Revenue

N/A

Local Expenditure and Revenue

N/A

Introduced on January 15, 2019

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The State Board of Technical and Comprehensive Education (SBTCE) has provided an initial expenditure impact of \$17,000,000. However, we have requested additional information as to what is involved in this expenditure.

State Revenue

N/A

Local Expenditure and Revenue

N/A

A handwritten signature in blue ink, appearing to read "Frank A. Rainwater", is positioned above a horizontal line.

Frank A. Rainwater, Executive Director

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9 **A BILL**

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11 TO AMEND THE CODE OF LAWS OF SOUTH CAROLINA,
12 1976, BY ADDING SECTION 59-150-365 SO AS TO
13 ESTABLISH THE SOUTH CAROLINA WORKFORCE
14 INDUSTRY NEEDS SCHOLARSHIP (SC WINS), TO PROVIDE
15 THAT CERTAIN STUDENTS ATTENDING A TWO-YEAR
16 TECHNICAL COLLEGE ARE ELIGIBLE FOR THE
17 SCHOLARSHIP, AND TO PROVIDE ELIGIBILITY
18 REQUIREMENTS.

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

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23 SECTION 1. Chapter 150, Title 59 of the 1976 Code is amended
24 by adding:

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26 "Section 59-150-365. (A)(1) A student who is attending a
27 two-year public technical college, who is majoring in a critical
28 workforce area program, as defined and recommended by the State
29 Board for Technical and Comprehensive Education (SBTCE) and
30 ratified by the South Carolina Coordinating Council for Workforce
31 Development, and who is receiving a Lottery Tuition Assistance
32 Program Scholarship (LTAP) for the current school year, shall
33 receive an additional South Carolina Workforce Industry Needs
34 Scholarship (SC WINS). The SC WINS scholarship is equal to the
35 cost of attendance after applying all other scholarships or grants, not
36 to exceed two thousand five hundred dollars each school year for no
37 more than three school years of instruction, including the student's
38 freshman year. If the student is enrolled in an associate degree
39 program, the stipend is allowed for no more than two school years
40 of instruction, including the student's freshman year if enrolled in a
41 diploma or certificate program.

(2) During the student's freshman year, the student must be enrolled in at least six credit hours of instruction each semester, including at least three credit hours of instruction in one of the critical workforce areas defined by the SBTCE. To receive the additional SC WINS scholarship each school year, the student must receive the underlying LTAP scholarship for that school year and must be making acceptable progress each school year towards receiving a degree in one of the majors pursuant to this section. For purposes of meeting this required minimum level of instruction in the student's major courses during a student's freshman year, dual enrollment courses taken in high school in these critical workforce area programs count toward the fulfillment of the minimum requirement.

(B) The SBTCE shall promulgate regulations to define what constitutes a critical workforce program area. Nothing herein prevents a student from changing majors within the acceptable disciplines. Additionally, the SBTCE annually shall communicate with high school guidance counselors regarding the list of qualifying majors. The critical workforce program list must be reviewed at least every five years and adjusted based on workforce trends and industry needs. Critical workforce program additions or deletions must be ratified by the South Carolina Coordinating Council for Workforce Development.

(C) If the additional SC WINS scholarship is lost, it may be regained in the same manner the underlying LTAP scholarship is regained.

(D) In order for a student to be eligible after attempting twenty-four academic credit hours, the student must have earned a grade point average of 2.0 or better on a 4.0 grading scale.

(E) A student may not be eligible to receive the SC WINS scholarship for more than one certificate, diploma, or degree within any five-year period unless the additional certificate, diploma, or degree constitutes progress in the same field of study.

(F) A dual-enrollment student who is in his junior or senior year of high school, who is majoring in one of the critical workforce areas at a technical college qualifies for the SC WINS scholarship.

(G) Additionally, a three-hundred-dollar book allowance each school year is applied to a SC WINS recipient's account for expenses towards the cost of attendance including the cost of textbooks.

(H) If a critical workforce area program is placed on suspension during the SBTCE's annual program evaluation process, that program no longer qualifies for SC WINS funds at that specific

1 college. Students must be advised on how to complete their
2 program by transferring to another technical college or serving as a
3 transient student at another technical college to complete specified
4 courses.”

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6 SECTION 2. This act takes effect on July 1, 2019 and applies to
7 the 2019-2020 school year.

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