

REPORT OF THE GENERAL GOVERNMENT, PERSONNEL & BENEFITS SUBCOMMITTEE

(Anthony, Herbkersman, Hayes, Pitts & Whitmire - Staff Contact: Kara Brurok)

HOUSE BILL H. 3896

H. 3896-- Reps. Merrill, White and Limehouse: A BILL TO AMEND SECTION 59-4-120, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO THE LIMITATION ON TUITION INCREASES UNDER THE SOUTH CAROLINA TUITION PREPAYMENT PROGRAM, SO AS TO PROVIDE THAT, BEGINNING WITH THE 2013-2014 SCHOOL YEAR, A PUBLIC INSTITUTION OF HIGHER LEARNING IN THIS STATE SHALL ACCEPT AS FULL PAYMENT OF ALL TUITION AND FEES DUE FOR THOSE IN-STATE UNDERGRADUATE STUDENTS WHOSE TUITION AND FEES ARE PAID PURSUANT TO A TUITION PREPAYMENT CONTRACT UNDER THE TUITION PREPAYMENT PROGRAM THE AMOUNT OF TUITION AND FEES CHARGED IN-STATE UNDERGRADUATE STUDENTS FOR SCHOOL YEAR 2008-2009 WHO DID NOT PARTICIPATE IN THE PROGRAM, TO ALSO PROVIDE FOR THE MANNER IN WHICH THE TUITION PREPAYMENT PROGRAM, BEGINNING WITH THE 2013-2014 SCHOOL YEAR, SHALL PAY TUITION AND FEES FOR STUDENTS PARTICIPATING IN THE PROGRAM WHO ATTEND IN-STATE PRIVATE INSTITUTIONS OR OUT-OF-STATE INSTITUTIONS, AND TO PROVIDE FOR OTHER RELATED PROVISIONS TO IMPLEMENT THESE REQUIREMENTS.

Summary of Bill:

This bill would eliminate the unfunded liability of the South Carolina Tuition Prepayment Program which is roughly \$68.1 million. It directs the difference in cost between future tuition payments and program assets to be absorbed by public in-state universities.

Introduced:

04/09/2013

Received by Ways and Means:

04/09/2013

Estimated Fiscal Impact:

Pending

Subcommittee Recommendation:

Adopted with Amendment

Full Committee Recommendation:

Pending

Other Notes/Comments:

HOUSE
AMENDMENT

THIS AMENDMENT
ADOPTED

DRAFFIN/SHACKELFORD
APRIL 15, 2013

CLERK OF THE HOUSE

PROPOSES THE FOLLOWING AMENDMENT No. TO
H. 3896 (COUNCIL\GGS\3896C001.GGS.SD13):

REFERENCE IS TO PRINTER'S DATE 4/9/2013.

**AMEND THE BILL, AS AND IF AMENDED, BY
STRIKING ITEM (2) OF SUBSECTION (B) OF
SECTION 59-4-120 OF THE 1976 CODE AS
CONTAINED IN SECTION 1 AND INSERTING:**

**/ (2)THE SOUTH CAROLINA TUITION
PREPAYMENT PROGRAM SHALL CONTINUE TO
PAY TUITION AND FEES FOR STUDENTS
PARTICIPATING IN THE PROGRAM WHO ATTEND
IN-STATE PRIVATE INSTITUTIONS OR
OUT-OF-STATE INSTITUTIONS ON THE WEIGHTED
AVERAGE TUITION (WAT) AMOUNT BASIS. /**

RENUMBER SECTIONS TO CONFORM.
AMEND TITLE TO CONFORM.

South Carolina General Assembly
120th Session, 2013-2014

H. 3896

STATUS INFORMATION

General Bill

Sponsors: Reps. Merrill, White and Limehouse

Document Path: I:\council\bills\dka\3111sd13.docx

Introduced in the House on April 9, 2013

Currently residing in the House Committee on **Ways and Means**

Summary: Not yet available

HISTORY OF LEGISLATIVE ACTIONS

Date	Body	Action Description with journal page number
4/9/2013	House	Introduced and read first time (House Journal-page 21)
4/9/2013	House	Referred to Committee on Ways and Means (House Journal-page 21)

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VERSIONS OF THIS BILL

[4/9/2013](#)

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9 **A BILL**

10
11 TO AMEND SECTION 59-4-120, CODE OF LAWS OF SOUTH
12 CAROLINA, 1976, RELATING TO THE LIMITATION ON
13 TUITION INCREASES UNDER THE SOUTH CAROLINA
14 TUITION PREPAYMENT PROGRAM, SO AS TO PROVIDE
15 THAT, BEGINNING WITH THE 2013-2014 SCHOOL YEAR, A
16 PUBLIC INSTITUTION OF HIGHER LEARNING IN THIS
17 STATE SHALL ACCEPT AS FULL PAYMENT OF ALL
18 TUITION AND FEES DUE FOR THOSE IN-STATE
19 UNDERGRADUATE STUDENTS WHOSE TUITION AND
20 FEES ARE PAID PURSUANT TO A TUITION PREPAYMENT
21 CONTRACT UNDER THE TUITION PREPAYMENT
22 PROGRAM THE AMOUNT OF TUITION AND FEES
23 CHARGED IN-STATE UNDERGRADUATE STUDENTS FOR
24 SCHOOL YEAR 2008-2009 WHO DID NOT PARTICIPATE IN
25 THE PROGRAM, TO ALSO PROVIDE FOR THE MANNER IN
26 WHICH THE TUITION PREPAYMENT PROGRAM,
27 BEGINNING WITH THE 2013-2014 SCHOOL YEAR, SHALL
28 PAY TUITION AND FEES FOR STUDENTS PARTICIPATING
29 IN THE PROGRAM WHO ATTEND IN-STATE PRIVATE
30 INSTITUTIONS OR OUT-OF-STATE INSTITUTIONS, AND
31 TO PROVIDE FOR OTHER RELATED PROVISIONS TO
32 IMPLEMENT THESE REQUIREMENTS.

33
34 Be it enacted by the General Assembly of the State of South
35 Carolina:

36
37 SECTION 1. Section 59-4-120 of the 1976 Code, as added by Act
38 246 of 2008, is amended to read:

39
40 “Section 59-4-120. (A) For purposes of the Tuition Prepayment
41 Program, the annual increase in tuition for an institution cannot
42 exceed seven percent per year from Fiscal Year 2006-2007. To the

1 extent that actual tuition for an institution exceeds an annual
2 growth of seven percent per year, the institution shall grant a
3 waiver of the difference to the designated beneficiary and must not
4 pass along the difference to any student. Upon the effective date
5 of subsection (B), the provisions of this subsection are superceded
6 by the provisions of subsection (B).

7 (B)(1) Notwithstanding the provisions of subsection (A),
8 beginning with the fall semester or quarter of the 2013-2014
9 school year, public institutions of higher learning in this State, as
10 defined in Section 59-103-5, in regard to students who attend the
11 institution as an undergraduate and whose tuition and fees are paid
12 by the South Carolina Tuition Prepayment Program pursuant to a
13 tuition prepayment contract, shall accept as full payment of all
14 tuition and fees due on a yearly basis on behalf of these students
15 the amount of tuition and fees charged an in-state undergraduate
16 student for the school year 2008-2009 who did not participate in
17 the Tuition Prepayment Program. If the total amount of tuition and
18 fees for any particular year as levied by an institution exceed what
19 the South Carolina Tuition Prepayment Program is required to pay
20 for tuition and fees on behalf of in-state undergraduate students
21 participating in the program as provided in this subsection, the
22 institution shall absorb the difference, which may not be passed on
23 in whole or in part to the student.

24 (2) Beginning with the fall semester or quarter of the
25 2013-2014 school year, the South Carolina Tuition Prepayment
26 Program shall pay tuition and fees for students participating in the
27 program who attend in-state private institutions or out-of-state
28 institutions on the weighted average tuition (WAT) amount basis
29 with the tuition and fee charges to be used for this purpose to also
30 consist of those applicable for the school year 2008-2009.

31 (3) 'Tuition', as used in this subsection, has the meaning
32 defined in Section 59-4-20(10) and 'fees', as used in this
33 subsection, means those mandatory or optional charges the Tuition
34 Prepayment Program contemplated when determining the pricing
35 structure of the applicable tuition prepayment contract, regardless
36 of how the charges are characterized by the institution."

37
38 SECTION 2. This act takes effect upon approval by the Governor.

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