



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 4795
Author: Norrell
Subject: Palmetto Fellows Scholarship
Requestor: House Education and Public Works
RFA Analyst(s): Walling
Impact Date: April 7, 2016

Estimate of Fiscal Impact

	FY 2017-18	FY2018-19	FY 2019-20	FY 2020-21
State Expenditure				
General Fund	\$5,100	\$12,600	\$20,100	\$27,600
Other and Federal	\$0	\$0	\$0	\$0
Full-Time Equivalent Position(s)	0.00	0.00	0.00	0.00
State Revenue				
General Fund	\$0	\$0	\$0	\$0
Other and Federal	\$0	\$0	\$0	\$0
Local Expenditure	\$0	\$0	\$0	\$0
Local Revenue	\$0	\$0	\$0	\$0

Fiscal Impact Summary

This bill would increase General Fund expenditures by \$5,100 in FY 2017-18, \$12,600 in FY 2018-19, \$20,100 in FY 2019-20, and \$27,600 in FY 2020-21. This bill will not impact Federal Funds and Other Funds expenditures.

Explanation of Fiscal Impact

State Expenditure

This bill amends section 59-104-20 to allow students that have qualified for the Palmetto Fellows Scholarship award to defer enrollment for one year at a qualifying four-year institution without declining the award. The provisions of the bill apply to students graduating in the spring of 2016 and thereafter.

SC Commission on Higher Education (CHE). CHE reviewed the application and award process for the Palmetto Fellows Scholarship award and determined that, on average, three students per year declined the scholarship in order to take a year off from school. These students, if subsequently enrolled after one year, may be considered for the LIFE scholarship upon enrollment. The commission estimates the impact of this legislation would be the amount to provide the Palmetto Fellows award less the cost of the LIFE award. This differential amounts to \$1,700 in the freshman year, and \$2,500 each in sophomore, junior, and senior years. Based on three students on average declining the Palmetto Fellows Scholarship and the first year differential in the amount of the Life Scholarship, we estimate this bill would increase General Fund expenditures by \$5,100 in FY 2016-17. Accounting for the increase in the award amount

for subsequent years, General Fund expenditures will increase to \$12,600 in FY2017-18, \$20,100 in FY 2018-19, and \$27,600 in FY 2019-20. This bill will not impact Federal Funds and Other Funds expenditures.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director