



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 3254 Introduced on January 8, 2019
Author: Hosey
Subject: Free Tuition for Children of Vets
Requestor: House Ways and Means
RFA Analyst(s): A. Martin
Impact Date: April 1, 2019

Fiscal Impact Summary

This bill will increase Other Funds expenditures of public institutions of higher learning annually by an undetermined amount beginning in FY 2019-20 because it will extend the benefit of free tuition to spouses of certain wartime veterans. However, the number of spouses choosing to utilize this benefit is unknown, as is the level of education they would seek.

Explanation of Fiscal Impact

Introduced on January 8, 2019

State Expenditure

The bill extends the benefit of free tuition at public institutions of higher learning to married and widowed spouses of wartime veterans, provided that the veteran meets certain criteria.

Currently, children of these veterans are eligible to receive free tuition at public institutions of higher learning. This benefit applies to any type of undergraduate degree.

The number of spouses that would be eligible for free tuition pursuant to this bill is unknown, as is the number of spouses that would choose to utilize this benefit. In addition, the benefit for the spouse would end if the spouse remarried. Because of these unknowns, we are unable to directly determine the number of individuals that would utilize this benefit.

To estimate the potential number of eligible spouses, we utilized the number of children of veterans currently receiving this benefit to estimate the number of spouses that would apply for this benefit. Public institutions of higher learning were asked to provide the number of students currently enrolled who are receiving this benefit. We received data from fourteen institutions. The total combined undergraduate student population of the institutions that responded is 98,943, which represents 61 percent of the undergraduate student population attending public institutions of higher learning throughout the state. Of these 98,943 students, 1,033, or approximately 1 percent, are receiving free tuition because they are a child of a wartime veteran. The total number of undergraduate students currently enrolled in public institutions of higher learning state-wide is approximately 162,390 students. If we apply this 1 percent to the total undergraduate population, we anticipate that 1,695 students receive this benefit. Therefore, we anticipate a maximum of approximately 1,695 spouses that would be eligible for this benefit.

Spouses may utilize this benefit at any public institution of higher learning, including technical colleges. The average tuition rates for four-year institutions, two-year institutions, and technical colleges vary significantly. Considering the average annualized tuition and student population at

all public institutions of higher learning in the state, we find that the weighted average tuition is approximately \$9,900. If all eligible spouses were to use utilize this benefit, this bill could increase Other Funds expenditures of all public institutions of higher learning by as much as \$16,784,550 annually beginning in FY 2019-20. However, as the number of eligible spouses choosing to utilize this benefit is unknown, the actual impact on Other Funds expenditures is undetermined. Therefore, this bill will increase Other Funds expenditures of public institutions of higher learning annually by an undetermined amount beginning in FY 2019-20.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director