



**SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE**  
**STATEMENT OF ESTIMATED FISCAL IMPACT**  
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<b>Bill Number:</b>	H. 3576	Amended by the House of Representatives on January 31, 2019
<b>Author:</b>	White	
<b>Subject:</b>	SC Workforce Industry Needs Scholarship (SC WINS), established	
<b>Requestor:</b>	Senate Education	
<b>RFA Analyst(s):</b>	A. Martin	
<b>Impact Date:</b>	March 8, 2019	

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### **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.

### **Explanation of Fiscal Impact**

#### **Amended by the House of Representatives on January 31, 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 tuition and mandatory fees 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.

#### **State Revenue**

N/A

#### **Local Expenditure and Revenue**

N/A

#### **Updated for Additional Agency Response Introduced on January 15, 2019**

##### **State Expenditure**

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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



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Frank A. Rainwater, Executive Director