



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number:	H. 3576	Amended by Senate Education on March 13, 2019
Author:	White	
Subject:	SC Workforce Industry Needs Scholarship (SC WINS), established	
Requestor:	Senate Education	
RFA Analyst(s):	A. Martin	
Impact Date:	March 20, 2019	

Fiscal Impact Summary

This bill will increase expenditures by a range of \$18,477,900 to \$19,228,350, 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 Senate Education on March 13, 2019

State Expenditure

This bill establishes South Carolina Workforce Promise (SCWP) Scholarship. This scholarship will be available to students of two-year public technical colleges who receive a Lottery Tuition Assistance Program (LTAP) Scholarship. In addition to these requirements, the student must either major in a critical workforce program area or meet the income eligibility guidelines for free and reduced-priced meals as established by the U. S. Department of Agriculture (USDA). The SCWP scholarship award is equal to the remaining cost of tuition and mandatory fees after applying all other scholarships and grants. However, the scholarship may not exceed \$2,500 each school year.

As part of the qualifications for the SCWP Scholarship, the student must also receive an LTAP Scholarship in the same school year. In order to qualify for LTAP, a student must be a legal resident of the state and be enrolled in a minimum of 6 credit hours as a degree-seeking student. 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 will communicate annually 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). SBTCE indicates that this requirement will be managed within existing appropriations. Therefore, this requirement will have no expenditure impact on SBTCE.

SBTCE estimates there are 9,000 students currently enrolled in public technical colleges that would qualify for the SCWP Scholarship by virtue of their major. This calculation is based on

the unduplicated enrollment count from academic year 2017-18. Since not every student is 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 SCWP for 9,000 students would result in \$11,520,000 in additional scholarship funds for tuition and fees.

In addition, this bill provides a book allowance of up to \$300 each school year for SCWP recipients majoring in a critical workforce program area. 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. Because their other awards would be sufficient to cover their cost of attendance, these students would not receive the SCWP Scholarship. However, these students may still have additional costs for books that are not covered by other awards. Providing this book allowance for a total of 11,630 students would create an additional expenditure of \$3,489,000.

The SCWP will also be available for LTAP recipients attending a two-year public technical college who meet U. S. Department of Agriculture (USDA) income guidelines for free and reduced-price meals. SBTCE anticipates that the combination of LTAP, Pell Grant, and need-based grants awarded to these students would be sufficient to cover their cost of attendance. Because SCWP is limited to the cost of attendance, these students would not receive an additional SCWP Scholarship. These students would not qualify for the book allowance unless they are majoring in a critical workforce program area. Therefore, there would be no expenditure impact associated with this group of students.

In addition to students attending technical colleges, SCWP will be available for students dually enrolled in high school and a public technical college. In order to qualify, the student must also be receiving an LTAP Scholarship and either be enrolled in a critical workforce program area or qualify for free and reduced-priced meals. Dual-enrollment students majoring in a critical workforce program area will also qualify for a book allowance of up to \$300 each year. SBTCE indicates there are currently 6,650 dual-enrollment students receiving LTAP. At the present time, dual enrollment students are not tracked to a specific college program. Therefore, the number of students that would qualify for SCWP by virtue of their major is unknown. In addition, technical colleges do not capture income information for these students. Therefore, the number of these students that would qualify for free or reduced-price meals is unknown. Based on the most current public school statistics, 62.3 percent of students in K-12 public schools are eligible for the add-on poverty weight for the Education Finance Act. If we apply this 62.3 percent to the number of dual-enrollment students receiving LTAP, we have an estimated 4,100 dual-enrollment students that would qualify for SCWP based on their income level. 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. In order to qualify for LTAP, dual-enrollment students must be enrolled in a minimum of 6 credit hours. Multiplying this \$80 average scholarship award by 6 credit hours results in an estimated \$480 per student. Providing this scholarship for 4,100 dual-enrollment students would increase expenditures by \$1,968,000.

This bill does not change the add-on weight for dual-enrollment under the Education Finance Act. Any effects on school funding or changes in payments to technical colleges for dual-enrollment are unchanged.

At the current enrollment level, this bill would increase expenditures by a total of \$15,009,000 for scholarships and book allowances for students enrolled in public technical colleges. SBTCE estimates an increase in enrollment levels of 10 to 15 percent. Taking into account student growth, the cost to provide SCWP and book allowances for eligible college students would range from \$16,509,900 to \$17,260,350, beginning in FY 2019-20. In addition, this bill will increase expenditures by approximately \$1,968,000 for scholarships for dual-enrollment students.

In total, this bill would increase scholarship expenditures by a range of \$18,477,900 to \$19,228,350, 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

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

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.

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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.

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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

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.

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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.

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



Frank A. Rainwater, Executive Director