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COMMITTEE REPORT

February 7, 2019

**H. 3639**

Introduced by Reps. Taylor, Allison and Felder

S. Printed 2/7/19--H. [SEC 2/8/19 11:58 AM]

Read the first time January 16, 2019.

**THE COMMITTEE ON EDUCATION AND PUBLIC WORKS**

To whom was referred a Bill (H. 3639) to amend Section 59‑112‑50, Code of Laws of South Carolina, 1976, relating to military personnel and their dependents who are entitled to pay in‑state, etc., respectfully

**REPORT:**

That they have duly and carefully considered the same and recommend that the same do pass:

MERITA A. ALLISON for Committee.

**STATEMENT OF ESTIMATED FISCAL IMPACT**

**Explanation of Fiscal Impact**

**Introduced on January 16, 2019**

**State Expenditure**

This bill amends current state law in order to maintain compliance with a recently revised federal law. Federal law now requires that certain veterans with service-connected disabilities be eligible for in-state tuition and fees at public institutions of higher education, regardless of the length of time the individual has resided in this state. This bill allows South Carolina to be in compliance with the recent amendments to 38 U.S.C. §3679.

**Commission on Higher Education.** This bill will have no expenditure impact on CHE because it does not materially alter the oversight or regulatory duties of the agency.

**State Board of Technical and Comprehensive Education.** This bill will have no expenditure impact on SBTCE because it does not materially alter the oversight or regulatory duties of the agency.

**State Revenue**

This bill will increase the number of out-of-state students who qualify for in-state tuition, thereby reducing the total amount of tuition collected by public institutions of higher learning. CHE surveyed the public institutions of higher learning regarding the impact of this bill and received a response from University of South Carolina (USC) and their branch campuses, the College of Charleston, Coastal Carolina, Clemson University, Francis Marion University, and the Medical University of South Carolina (MUSC). USC, the College of Charleston, and Coastal Carolina anticipate an annual reduction in revenue of $103,410, $57,546, and $45,336 respectively. These totals are based on the current number of out-of-state students that fit the criteria of this bill. Clemson estimates a reduction in revenue of $45,000 to $60,000 each year. Francis Marion, MUSC, and the branch campuses of USC expect this bill to have a minimal impact on revenue.

SBTCE reports that this bill will have minimal impact on revenue for public technical colleges, as 95 percent of students are in-state residents.

For the institutions of higher learning, in total, this bill will reduce other funds revenue annually by a range of $251,292 to $266,292 beginning in FY 2019-20.

Frank A. Rainwater, Executive Director

Revenue and Fiscal Affairs Office

**A** **BILL**

TO AMEND SECTION 59‑112‑50, CODE OF LAWS OF SOUTH CAROLINA, 1976, RELATING TO MILITARY PERSONNEL AND THEIR DEPENDENTS WHO ARE ENTITLED TO PAY IN‑STATE TUITION AND FEES WITHOUT REGARD TO THE LENGTH OF TIME THEY HAVE RESIDED IN THIS STATE, SO AS TO EXPAND THE CATEGORIES OF INDIVIDUALS COVERED BY THESE PROVISIONS TO CONFORM WITH CERTAIN CHANGES IN FEDERAL LAW.

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

SECTION 1. Section 59‑112‑50(C) of the 1976 Code is amended to read:

“(C)(1) Notwithstanding any other provision of law, a covered individual enrolled in a public institution of higher education and receiving educational assistance under Chapter 30, Chapter 31, and Chapter 33, Title 38 of the United States Code are entitled to pay in‑state tuition and fees without regard to the length of time the covered individual has resided in this State.

(2) For purposes of this subsection, a covered individual is defined as:

(a) a veteran who served ninety days or longer on active duty in the Uniformed Service of the United States, their respective Reserve forces, or the National Guard and who enrolls within three years of discharge;

(b) a person who is entitled to and receiving assistance under Section 3319, Title 38 of the United States Code by virtue of the person’s relationship to the veteran described in subitem (a) who enrolls within three years of the veteran’s discharge;

(c) a person using transferred benefits under Section 3319, Title 38 of the United States Code while the transferor is on active duty in the Uniformed Service of the United States, their respective Reserve forces, or the National Guard; ~~or~~

(d) a person who is entitled to and receiving assistance under Section 3311(b)(9), Title 38 of the United States Code; or

(e) a person who is entitled to and is receiving assistance under Section 3102(a), Title 38 of the United States Code.

(3) A covered individual must live in this State while enrolled at the in‑state institution.

(4) At the conclusion of the applicable three-year period in subsection (C)(2)(a) or (C)(2)(b), a covered individual shall remain eligible for in‑state rates as long as he remains continuously enrolled in an in‑state institution or transfers to another in‑state institution during the term or semester, excluding summer terms, immediately following his enrollment at the previous in‑state institution. In the event of a transfer, the in‑state institution receiving the covered individual shall verify the covered individual’s eligibility for in‑state rates with the covered individual’s prior in‑state institution. It is the responsibility of the transferring covered individual to ensure all documents required to verify both the previous and present residency decisions are provided to the in‑state institution.”

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

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