



# SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE

## STATEMENT OF ESTIMATED FISCAL IMPACT

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*This fiscal impact statement is produced in compliance with the South Carolina Code of Laws and House and Senate rules. The focus of the analysis is on governmental expenditure and revenue impacts and may not provide a comprehensive summary of the legislation.*

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<b>Bill Number:</b>	H. 3453	Introduced on January 14, 2025
<b>Subject:</b>	Veterans' Children Tuition Assistance	
<b>Requestor:</b>	House Medical, Military, Public, and Municipal Affairs	
<b>RFA Analyst(s):</b>	Tipton	
<b>Impact Date:</b>	March 4, 2025	

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### Fiscal Impact Summary

This bill allows children of wartime veterans, upon application and approval by the Department of Veterans Affairs (DVA), to be admitted to any state-supported college, university, or post high school technical education institution free of tuition, provided that the veteran's child has been a resident of this state since birth. Children of wartime veterans currently receive free tuition to state institutions of higher learning if the veteran parent meets certain residency or service history requirements.

This bill will have no expenditure impact on DVA, as the agency indicates that the application and approval requirements in the bill will be managed with existing staff and resources.

This bill is not expected to have a material expenditure impact on state institutions of higher learning, based on responses received from the University of South Carolina (USC), Clemson University (Clemson), Coastal Carolina University (CCU), Lander University (Lander), Winthrop University (Winthrop), South Carolina State University (SC State), the Citadel College (Citadel), Francis Marion University (FMU) as well as the SC Technical College System (Tech System). The impact on the institutions will depend on the number of additional students who enroll free of tuition as provided by the bill.

This bill may reduce tuition revenue for state institutions of higher learning in FY 2025-26, depending on the number of current or prospective students who may qualify for free tuition under the bill. Based on data from DVA, under the current law providing free tuition to children of eligible wartime veterans, there were at least 3,643 students across all state institutions and technical colleges receiving free tuition in the fall semester of 2024 in the aggregate amount of approximately \$18,660,000, resulting in approximately \$37,320,000 per academic year. However, as the number of lifetime resident children of veterans who may be eligible for free tuition under this bill is currently unknown, the tuition revenue impact for state institutions of higher learning is undetermined.

## **Explanation of Fiscal Impact**

**Introduced on January 14, 2025**

### **State Expenditure**

This bill allows children of wartime veterans, upon application and approval by DVA, to be admitted to any state-supported college, university, or post high school technical education institution free of tuition, provided that the veteran's child has been a resident of this state since birth. Currently, under §59-111-20, children of wartime veterans may receive free tuition to state universities or technical colleges if the veteran was a resident of the state upon entry or during service or is a current resident who has lived in the state for at least one year, or if the veteran is deceased and resided in the state for at least one year before their death, provided the veteran served honorably during a war period defined under federal law, and meets one of several enumerated service history requirements. Under the bill and current law, eligible children of wartime veterans may be no older than 26 seeking any type of undergraduate degree to receive free tuition.

DVA reports that the approval and application requirements in the bill will be managed with existing staff and resources. Therefore, this bill will have no expenditure impact on DVA.

Based on responses from USC, Clemson, CCU, Lander, Winthrop, SC State, the Citadel, and FMU, as well as the Tech System, this bill is not expected to have a material expenditure impact. Additional expenses for the institutions will depend on the number of additional students who enroll and receive free tuition under the bill.

### **State Revenue**

This bill allows children of wartime veterans, upon application and approval by DVA, to be admitted to any state-supported college, university, or post high school technical education institution free of tuition, provided that the veteran's child has been a resident of this state since birth.

This bill may reduce tuition revenue for state institutions of higher learning in FY 2025-26, depending on the number of current or prospective students that may be eligible to receive free tuition. According to DVA, under the current law providing free tuition to the children of eligible wartime veterans, the number of students enrolled across all state institutions of higher learning receiving free tuition totaled at least 3,643 in the fall semester of 2024. Based on institutional tuition rates, this results in approximately \$18,660,000 in aggregate tuition for the semester, which results in approximately \$37,320,000 per academic year. This does not include any lottery or institutional scholarships that would otherwise be applied, room and board or other expenses that an institution may charge in addition to tuition, and does not account for any military discounts that some institutions currently offer. This bill may increase the number of students receiving free tuition, thereby reducing current tuition revenues if the student is currently enrolled, or future tuition revenue for prospective eligible students. However, as the number of lifetime resident children of wartime veterans that would be eligible to receive free tuition under the bill is currently unknown, the potential impact on tuition revenue for state institutions of higher learning is undetermined.

**Local Expenditure**

N/A

**Local Revenue**

N/A



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