



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.

Bill Number:	H. 3453	Amended by House Medical, Military, Public, and Municipal Affairs on May 1, 2025
Subject:	Veterans' Children Tuition Assistance	
Requestor:	House Medical, Military, Public, and Municipal Affairs	
RFA Analyst(s):	Tipton	
Impact Date:	May 6, 2025	

Fiscal Impact Summary

This bill as amended expands eligibility for in-state tuition rates to include any member of the Armed Services, retired military personnel, and honorably discharged veterans of the United States and their dependents and removes certain requirements for these students. Currently, only members of the Armed Services who are stationed in South Carolina and their dependents are eligible for in-state tuition rates. The amended bill further adds retired military personnel, honorably discharged veterans, and their dependents and the dependents of active duty military personnel to the list of persons who may be charged less than the undergraduate tuition rate for courses that are presented on a distance basis, regardless of residency. The bill also 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 as amended is not expected to have a material expenditure impact on state institutions of higher learning based on previous 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). We anticipate that implementing the provisions of the bill will be managed by existing staff and resources for the institutions, and any other expenditure impact will depend on the number of newly enrolled students receiving in-state or free tuition under the bill.

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

This bill as amended may reduce tuition revenue for state institutions of higher learning in FY 2025-26, depending on the number of current or prospective students who will qualify for in-state or free tuition. Revenue and Fiscal Affairs (RFA) surveyed all state institutions of higher learning to determine the impact of this bill. USC and Winthrop reported that information

regarding the number of non-resident active duty, retired, or honorably discharged military veteran students or their dependents currently in attendance is unavailable. The College of Charleston (CofC) and FMU indicated that the total number of students in these categories were 5 and 4 respectively. The bill as amended would decrease tuition revenue by the difference in the out-of-state tuition rate and the in-state tuition rate for each newly eligible student, which ranged from approximately \$9,600 to \$24,800 in FY 2023-24 across research and comprehensive teaching institutions.¹ All responding institutions expect a tuition revenue impact as a result of the amended bill; the revenue impact will depend on the number of out-of-state active duty or retired military personnel that seek to attend a state college or university at the lower in-state tuition rate. Further, 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, the number of lifetime resident children of veterans who may be eligible for free tuition under this bill is currently unknown. Therefore, the overall tuition revenue impact for state institutions of higher learning as a result of the amended bill is undetermined.

Explanation of Fiscal Impact

Amended by House Medical, Military, Public, and Municipal Affairs on May 1, 2025 State Expenditure

This bill as amended expands eligibility for in-state tuition rates to include any member of the Armed Services, retired military personnel, and honorably discharged veterans of the United States and their dependents and removes certain requirements for these students. Currently, members of the Armed Services who are stationed in South Carolina and their dependents are eligible for in-state tuition rates. The amended bill further adds retired military personnel, honorably discharged veterans, and their dependents and the dependents of active duty military personnel to the list of persons who may be charged less than the undergraduate tuition rate for courses that are presented on a distance basis, regardless of residency.

The bill also 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

¹ SC Commission on Higher Education, *Statistical Abstract 46th Edition 2024*, p. 133, November 21, 2024, https://che.sc.gov/sites/che/files/Documents/CHE%20Data%20and%20Reports/Statistical%20Abstracts/2024_Statistical_Abstract-WEB.pdf

children of wartime veterans may be no older than 26 seeking any type of undergraduate degree to receive free tuition.

DVA reported 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 previous 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 on state institutions of higher learning. We anticipate that implementing the provisions of the bill will be managed by existing staff and resources for the institutions, and any other expenditure impact will depend on the number of newly enrolled students receiving in-state or free tuition under the bill.

State Revenue

This bill as amended expands eligibility for in-state tuition rates to include any member of the Armed Services, retired military personnel, and honorably discharged veterans of the United States and their dependents. The bill further 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 as amended may reduce tuition revenue for state institutions of higher learning beginning in FY 2025-26, depending on the number of current or prospective students who may be eligible to receive in-state or free tuition. RFA surveyed all state institutions of higher learning to ascertain the number of current students that this provision would impact. USC and Winthrop reported that the number of non-resident active duty, retired, or honorably discharged military veteran students or dependents currently in attendance is unknown. CofC and FMU indicated that the total number of students in these categories were 5 and 4 respectively. The bill as amended would decrease tuition revenue by the difference in the out-of-state tuition rate and the in-state tuition rate for each newly eligible student, which ranged from approximately \$9,600 to \$24,800 in FY 2023-24 across research and comprehensive teaching institutions. All responding institutions expect the bill as amended to have a tuition revenue impact. The revenue impact will depend on the number of out-of-state active duty or retired military personnel that seek to attend a state college or university.

Further, 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, the

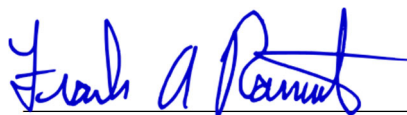
number of lifetime resident children of veterans who may be eligible for free tuition under this bill is currently unknown. Therefore, the overall tuition revenue impact for state institutions of higher learning as a result of the amended bill is undetermined.

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director