



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. 3632	Introduced on January 14, 2025
Subject:	STEM Scholarship Stipends	
Requestor:	House Education and Public Works	
RFA Analyst(s):	Tipton	
Impact Date:	April 11, 2025	

Fiscal Impact Summary

This bill provides that courses in microeconomics, macroeconomics, and business statistics must count towards eligibility requirements for accounting majors to receive the LIFE or Palmetto Fellows Scholarship enhancements, beginning with accounting majors who were freshmen in the 2024-2025 academic year.

This bill is expected to increase LIFE and Palmetto Fellows Scholarship stipend disbursements by up to \$328,000 in FY 2025-26, \$730,000 in FY 2026-27, and \$1,253,000 beginning in FY 2027-28 based on the current number of accounting majors receiving the LIFE and Palmetto Fellows Scholarships provided by the Commission on Higher Education (CHE). The impact will vary depending on the number of scholarship recipients who choose to major in accounting in future years, as well as the number of those students who meet the first year 14-credit hour requirement including the courses specified by the bill. For reference, in FY 2024-25, LIFE Scholarship disbursements are estimated to total \$210,341,233 from Education Lottery (Lottery) funds, and Palmetto Fellows Scholarship disbursements are estimated to total \$75,259,863 from General Funds and Lottery funds. If Lottery funding is not available in future years to cover the increase in the scholarship stipend disbursements to eligible students under the bill, this would become an obligation of the General Fund.

This bill will have no impact on CHE, as the agency indicates that adding eligible courses to LIFE and Palmetto Fellows Scholarship enhancement requirements will be managed with existing staff and resources.

Explanation of Fiscal Impact

Introduced on January 14, 2025

State Expenditure

This bill provides that courses in microeconomics, macroeconomics, and business statistics must count towards eligibility requirements for accounting majors to receive the LIFE or Palmetto Fellows Scholarship enhancements, beginning with accounting majors who were freshmen in the 2024-2025 academic year. Currently, LIFE and Palmetto Fellows Scholarship recipients completing a major in an approved Science, Technology, Engineering, or Math (STEM) field, including accounting, must successfully complete 14 credit hours of approved science or math coursework in their first year in order to receive the scholarship enhancement of \$2,500 per

academic year in up to three subsequent years. Eligible STEM majors as well as courses that are eligible to count towards the 14-credit hour requirement must be approved by CHE.

Act 156 of 2024 added accounting majors to the approved majors eligible to receive the LIFE or Palmetto Fellows Scholarship enhancement, with students eligible to receive the stipend beginning in the Fall of 2024 provided that the freshman math or science coursework requirements had been met. According to preliminary data provided by CHE, there were 517 sophomore, junior, or senior accounting majors receiving the base LIFE or Palmetto Fellows Scholarship statewide in the Fall of 2024. Of these students, 16, or approximately 3 percent, received the LIFE or Palmetto Fellows Scholarship enhancement. As the courses in microeconomics, macroeconomics, and business statistics applied to the 14-credit hour requirement could account for 9 credit hours per student, we anticipate that this will materially increase the number of students majoring in accounting eligible to receive the LIFE or Palmetto Fellows Scholarship enhancement. As the bill is effective beginning with students who were freshmen in the 2024-2025 academic year, the initial impact will be limited to eligible sophomores in the 2025-26 academic year and will increase as additional cohorts of accounting majors become eligible for the scholarship enhancement.

Based on the current number of accounting majors receiving base scholarship awards provided by CHE, this bill is expected to increase LIFE and Palmetto Fellows Scholarship stipend disbursements by up to \$328,000 in FY 2025-26, \$730,000 in FY 2026-27, and \$1,253,000 beginning in FY 2027-28. This estimate assumes all accounting majors who currently receive either the LIFE or Palmetto Fellows Scholarship will receive the stipend. The impact will vary depending on the number of scholarship recipients who choose to major in accounting in future years as well as the number of those students who meet the 14-credit hour requirement including the courses specified by the bill. For reference, in FY 2024-25, LIFE Scholarship disbursements are estimated to total \$210,341,233 from Lottery funds, and Palmetto Fellows disbursements are estimated to total \$75,259,863 from General Funds and Lottery funds. If Lottery funding is not available to cover the increase in the scholarship stipend disbursements in future years to eligible students under the bill, this increase would become an obligation of the General Fund.

CHE indicates that the addition of eligible courses to LIFE and Palmetto Fellows Scholarship enhancement requirements will be managed with existing staff and resources. Therefore, this bill will have no impact on CHE.

State Revenue

N/A

Local Expenditure

N/A

Local Revenue

N/A



Frank A. Rainwater, Executive Director