

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

BILL NUMBER: Senate Bill 1555/House Bill 1816

SHORT TITLE: Civ./Mil. Base In-State Tuition

SPONSOR(S): Senator Perdue/Representative Nichols

FISCAL IMPACT: Expenditures: Increase (X) Decrease ()
 Revenues: Increase () Decrease ()
 No Impact ()
 No Estimate Available ()

FUNDS AFFECTED: General Fund (X) Highway Fund () Local Fund ()
 Other Fund ()

BILL SUMMARY: Amends GS 116-143.3 to make dependent relatives of civilian employees of the Department of Defense who are transferred to a military base in North Carolina due to the closing of a military base elsewhere eligible for in-state tuition immediately (without waiting for one year of residency as required elsewhere by law). The bill also makes these dependents eligible for the State funded programs assisting N.C. students attending private colleges in the State.

EFFECTIVE DATE: July 1, 1994

PRINCIPAL DEPARTMENT(S)/PROGRAM(S) AFFECTED: UNC Board of Governors, including Aid to Students Attending Private Colleges; Department of Community Colleges,

FISCAL IMPACT

	<u>FY 95</u>	<u>FY 96</u>	<u>FY 97</u>	<u>FY 98</u>	<u>FY 99</u>
EXPENDITURES					
RECURRING					
NON-RECURRING	\$400,000	\$134,000	-	-	-
REVENUES/RECEIPTS					
RECURRING					
NON-RECURRING					

POSITIONS: None

ASSUMPTIONS AND METHODOLOGY:

1. The same proportion of families transferred to the Cherry Point facility will have college-age children as all N.C. families with children age 18 or above.
2. Of these families with college-age children, 25% will have one child to attend a UNC institution and 17% will have a child to attend the Community College system. These rates are comparable to the N.C. college-going rate for recent high school graduates. Nine percent of these families will have a

student attending private college in North Carolina and thus become eligible for the need-based State Contractual Scholarship funds and the Legislative Tuition Grants.

3. The community college cost is calculated by multiplying the number of new students by the cost per student. The UNC cost is calculated by multiplying the differential between resident and non-resident tuition times the number of anticipated students from this group.
4. The cost is treated as non-recurring which assumes that the transfer will occur within a year or less, and that there will not be a continuing series of transfers from other closed bases.
5. The number of families involved are assumed to be the 1,200 employees referenced in the bill, and do not include other possible transfers to other bases in North Carolina.
6. These costs are based on 1993-94 rates. No allowance for increases in UNC tuition, increases in appropriations for community colleges, and increases in the programs aiding students attending private colleges has been factored into these costs. The private college costs would go up approximately \$3,400 and \$1,100 for each of the next two years if the proposed increases are budgeted. UNC tuition increases will drive those UNC costs up by \$28,000 and \$9,000 for the next two years. The community college costs for next year cannot be determined at this time, but are likely to increase by about 5%, or \$3,600 for the first year and \$1,200 for the second year.

SOURCES OF DATA: U.S. Census, UNC General Administration, Fiscal Research Division data.

1. This bill does not provide for in-state tuition for the civilian employees themselves, only for their dependents.

2. According to UNC-General Administration, the dependent relative does not have to reside with the civilian employee, and could even reside out of state.

FISCAL RESEARCH DIVISION: 733-4910

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