

NORTH CAROLINA GENERAL ASSEMBLY

LEGISLATIVE FISCAL NOTE

PLEASE NOTE: THIS FISCAL NOTE HAS BEEN REVISED TO INCLUDE COMMENTS IN THE "TECHNICAL CONSIDERATIONS" SECTION, BELOW DELETE THE EARLIER EDITION [March 5, 1999], AND REPLACE WITH THIS EDITION [March 11, 1999].

Thank you, and we apologize for any inconvenience. Tom Covington

BILL NUMBER: House Bill 72

SHORT TITLE: UNC Tuition/Military Students

SPONSOR(S): Rep. McAllister

FISCAL IMPACT

Yes (X) No () No Estimate Available ()

FY 1999-00 FY 2000-01 FY 2001-02 FY 2002-03 FY 2003-04

EXPENDITURES

Requirements	\$ (21,750)	\$ (22,294)	\$ (22,851)	\$ (23,422)	\$ (24,008)
Receipts	(\$1,135,371)	(\$1,163,755)	(\$1,192,849)	(\$1,222,670)	(\$1,253,237)
Gen. Fund App.	\$ 1,113,621	\$ 1,141,462	\$ 1,169,998	\$ 1,199,248	\$ 1,229,229

POSITIONS: None

PRINCIPAL DEPARTMENT(S) &

PROGRAM(S) AFFECTED: University of North Carolina, Community Colleges

EFFECTIVE DATE: July 1, 1999

BILL SUMMARY: Amends GS 116-143.3(b) to provide that a member of the military who attends a constituent institution or a community college shall only be charged the in-state tuition rate.

ASSUMPTIONS AND METHODOLOGY:

1. The number of military personnel taking courses will not change in substantial numbers. A similar estimate made in 1994-95 had similar costs.

2. The current law was rewritten in 1984 to hold the cost for active military personnel to the in-state tuition rate, while increasing receipts from the military services.

3. The impact of the bill will be to reduce the tuition assistance payments of the military services, thereby reducing the tuition revenues of the community colleges and the UNC campuses that enroll significant numbers of military personnel.

4. No attempt has been made to estimate the increased enrollment of military personnel as a result of the proposed change. To the extent that the military services increase the number of service members receiving tuition assistance if HB 72 passes, the increased enrollment will increase the General Fund costs to the community colleges and UNC. Therefore, this cost estimate should be considered as the low end of a range of estimates.

5. The NC Community Colleges and the UNC campuses were surveyed to assess the costs of the proposed legislation. Three community colleges and seven UNC campuses would be affected by the change in law. The majority of the cost will be incurred by the community colleges.

6. Most of the cost is due to a loss of tuition receipts, which will increase the General Fund appropriations requirements. Colleges were asked about administrative savings, and these have been used to offset the loss of tuition.

7. Costs have been inflated at a rate of 2.5% annually, based on potential increases in tuition.

TECHNICAL CONSIDERATIONS:

The proposed bill does not restrict the in-state tuition privilege to military personnel stationed in North Carolina, as the current law applies. Unless the bill is amended to add this restriction, any person who is a member of the U. S. armed services stationed anywhere in the world would be eligible for in-state tuition. This would include members of the reserves who are citizens of other states as well. This could substantially increase the cost estimate.

FISCAL RESEARCH DIVISION 733-4910

PREPARED BY: Jim Newlin

APPROVED BY: Tom Covington

DATE : March 11, 1999



Signed Copy Located in the NCGA Principal Clerk's Offices