

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 119 (Second Edition)

SHORT TITLE: In-State Tuition/Dept. of Defense Employees.

SPONSOR(S): Senator Rand

FISCAL IMPACT

| | Yes (X) | No () | No Estimate Available () | | |
|---|-------------------|-------------------|-------------------------------|-------------------|-------------------|
| | <u>FY 2007-08</u> | <u>FY 2008-09</u> | <u>FY 2009-10</u> | <u>FY 2010-11</u> | <u>FY 2011-12</u> |
| REVENUES | | | | | |
| UNC Tuition Receipts | | | See Assumptions & Methodology | | |
| CC Tuition Receipts | | | See Assumptions & Methodology | | |
| EXPENDITURES | | | | | |
| POSITIONS (cumulative): | | | | | |
| PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: University of North Carolina; State Board of Community Colleges | | | | | |
| EFFECTIVE DATE: This act becomes effective July 1, 2007, and applies to the 2007-2008 academic year. | | | | | |

BILL SUMMARY:

Enacts new GS 116-143.7 (tuition of employees of the Department of Defense and their dependents) charging in-state tuition rates to employees and the dependents of employees of the Department of Defense that are stationed in North Carolina and have been admitted to institutions of the University of North Carolina and the community colleges under the jurisdiction of the State Board of Community Colleges. If the employee is reassigned out of state, the employee and his or her dependents remain eligible for in-state tuition as long as they are continuously enrolled in the program they were enrolled in when they were reassigned. Amends GS 116-21.3 to allow employees of the Department of Defense enrolled as full-time students or as a licensure student, not qualifying for resident tuition, to be eligible for a legislative tuition grant. Amends GS 116-235(b)(1) to allow students living with a parent who is an employee of the Department of Defense living in the state incident to employment at the time of application to be considered for admission to the North Carolina School of Science and Mathematics
Source: Bill Digest S.B. 119 (02/08/2007).

BACKGROUND

G.S. 116-143.3 allows active duty members of the armed services and their dependents to pay in-state tuition even though they have not met the residency requirements for admission into state institutions of higher education.

ASSUMPTIONS AND METHODOLOGY:

As of September 2005, North Carolina was home to 101,935 military personnel and 17,184 civilian defense employees. In the next four years, the number of civilian personnel in the State will increase due to actions of the Base Realignment and Closure (BRAC) Commission. In the BRAC Commission's final report to the President in September 2005, North Carolina was projected to have a net gain of 951 civilian personnel primarily due to changes at Fort Bragg and Pope Air Force Base. The Fort Bragg and Pope Air Force Base BRAC Regional Task Force estimates that its bases will have a net increase of 1,405 civilian workers, while job losses at other state bases and offices bring the total number of jobs down.

Whether nonresidents come to North Carolina bases due to BRAC changes or simply to fill existing jobs, this bill will eliminate the 12 month wait for residency these newcomers need to receive in-state tuition. There is no reasonable measure to estimate how many of these Defense Department employees or their dependents will take advantage of this tuition discount at either the university or community college level. However, for each employee that does choose to use this tuition benefit at a UNC school or a community college, that institution will lose tuition revenue. The average undergraduate tuition for nonresidents in the UNC System is \$12,886 in FY 07-08, while the average resident undergraduate tuition is \$2,393. Thus the revenue lost from this one-year tuition discount for military civilian employees is \$10,493, the difference in the two tuition rates. Curriculum tuition for nonresidents in the NC Community College System is \$219.50 per credit hour up to 16 credit hours per semester, while the resident curriculum tuition is \$39.50 per credit hour up to 16 credit hours per semester. The one-year tuition discount for military civilian employees and their dependents would cost \$180 per credit hour, or a maximum of \$2,880 per semester for students taking 16 credit hours, in lost tuition revenue.

SOURCES OF DATA: Distribution of Personnel by State and by Selected Locations published by the Defense Manpower Data Center-Statistical Information Analysis Division; 2005 Base Closure and Realignment Commission Report, Volume Two, Appendix O

TECHNICAL CONSIDERATIONS: None

FISCAL RESEARCH DIVISION: (919) 733-4910

PREPARED BY: Richard Bostic and Jennifer Haygood

APPROVED BY: Lynn Muchmore, Director
Fiscal Research Division

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