

GENERAL ASSEMBLY OF NORTH CAROLINA



Legislative Fiscal Note

BILL NUMBER: Senate Bill 725 (Second Edition)

SHORT TITLE: NCNGuard–Tuition Assistance Program Changes.

SPONSOR(S): Senator Thomas

| FISCAL IMPACT | | | | | |
|----------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------|---------------------------|-------------------|-------------------|
| | Yes () | No (X) | No Estimate Available () | | |
| | <u>FY 2005-06</u> | <u>FY 2006-07</u> | <u>FY 2007-08</u> | <u>FY 2008-09</u> | <u>FY 2009-10</u> |
| REVENUES: | | | | | |
| EXPENDITURES: | | No fiscal impact | | | |
| POSITIONS (cumulative): | | | | | |
| PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: Department of Crime Control and Public Safety, National Guard Division | | | | | |
| EFFECTIVE DATE: July 1, 2005 | | | | | |

BILL SUMMARY:

Amends GS 127A-193 as title indicates to increase monetary educational assistance grant from \$2,000 to the highest amount charged per academic year by a State educational institution or a lesser amount as set by the Secretary of Crime Control and Public Safety. Deletes cap of \$8,000 on total amount of tuition grants for which each recipient qualifies. Enacts new GS 127A-195(f) authorizing Secretary to reimburse grant recipient for the cost of books and materials if grant funds remain after tuition payment is made. Makes technical changes. Effective July 1, 2005

Source: Bill Digest S.B. 725 (03/22/0200).

ASSUMPTIONS AND METHODOLOGY: The FY 2004-05 continuation budget for the National Guard includes \$1,814,288 for the Tuition Assistance Program (TAP). Senate Bill 622, increased the budget by \$200,000 for a total of \$2,014,000. Current statute limits the annual benefit to \$2,000 for tuition and fees, with a lifetime cap of \$8,000. The proposed legislation would increase the benefit available to eligible members of the NC National Guard, appropriates

no additional funds. The proposal increases the annual benefit to the highest amount charged by a State educational institution per academic year and removes the lifetime cap. In addition, TAP benefits could be used for required course books and materials. For the 2005-06 school year, the amount of tuition and fees charged by state educational institutions would range from \$2,492 at Elizabeth City State to \$4,515 at UNC-Chapel Hill.

Because no additional funds are appropriated, there would be no increased program costs from this bill. However, by increasing the benefit amount, there would be a fiscal impact in that the program would potentially serve fewer eligible applicants. In past years, prior to the large deployments to Afghanistan and Iraq, program funds were depleted by the third quarter of the fiscal year. As a result, tuition reimbursement requests would be placed on backlog until the beginning of the next fiscal year. With the expected return of currently deployed guard members combined with increased recruitment efforts, this bill has the potential to create even greater backlogs in future years.

SOURCES OF DATA: UNC General Administration; NC National Guard Division

TECHNICAL CONSIDERATIONS: None

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DATE: August 12, 2005



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