

GENERAL ASSEMBLY OF NORTH CAROLINA

Session 2017

Legislative Fiscal Note

BILL NUMBER: House Bill 247 (First Edition)
SHORT TITLE: Limit Soldiers' Community College Tuition.
SPONSOR(S): Representatives Hanes, Horn, Floyd, and Blackwell

FISCAL IMPACT					
	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> No Estimate Available		
State Impact	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
General Fund Revenues:	(\$313,362) to NA	(\$313,362) to NA	(\$313,362) to NA	(\$313,362) to NA	(\$313,362) to NA
General Fund Expenditures:	to	to	to	to	to
Special Fund Revenues:	to	to	to	to	to
Special Fund Expenditures:	to	to	to	to	to
State Positions:	to	to	to	to	to
NET STATE IMPACT	(\$313,362) to NA	(\$313,362) to NA	(\$313,362) to NA	(\$313,362) to NA	(\$313,362) to NA
Local Impact					
Revenues:	to	to	to	to	to
Expenditures:	to	to	to	to	to
NET LOCAL IMPACT	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0	\$0.0 to \$0.0
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: NC Community College System					
EFFECTIVE DATE: July 1, 2017					
TECHNICAL CONSIDERATIONS: None					

BILL SUMMARY:

H247. LIMIT SOLDIERS' COMMUNITY COLLEGE TUITION. (March 2, 2017)
 AN ACT TO LIMIT COMMUNITY COLLEGE TUITION FOR REENROLLING ACTIVE DUTY SERVICE MEMBERS SO THAT THE MAXIMUM RATE SHALL NOT EXCEED AVAILABLE FEDERAL TUITION ASSISTANCE.

House Bill 247 waives the cost difference between the nonresident tuition rate at North Carolina community colleges and the amount of tuition assistance available from the Department of Defense for active duty members of the Armed Forces. This waiver would only apply to active duty members of the Armed Forces who previously had been enrolled in a degree or other program at a North Carolina community college at the time of deployment or reassignment and who reenroll in the same program within 18 months of deployment or reassignment.

Under current law, any active duty member of the Armed Forces who qualifies for admission to the University of North Carolina System or the NC Community College System (NCCCS), but who does not qualify as a resident for tuition purposes, is eligible to be charged the resident tuition rate while stationed in North Carolina. If the member is reassigned outside of the State, the member remains eligible for resident tuition as long as the member is continuously enrolled in the degree or other program.

The bill adds a new subsection to G.S. 116-143.3, the statute governing tuition of Armed Forces personnel and their dependents, providing that if the nonresident tuition rate for a community college exceeds the amount of federal tuition assistance available for active duty members of the Armed Forces, the cost difference will be waived if the active duty member:

1. Was enrolled in a degree or other program and receiving resident tuition at the time of deployment or reassignment,
2. Was not able to remain continuously enrolled in the degree or other program at the community college due to deployment or reassignment,
3. Reenrolls in the same degree or other program within 18 months of deployment or reassignment, and
4. Does not otherwise qualify for the resident tuition rate.

The bill also provides that the amount of tuition charged to an active duty member of the Armed Forces eligible to receive this waiver must not be lower than the resident tuition rate.

The bill is effective July 1, 2017, and applies beginning with the 2017-18 academic year.

ASSUMPTIONS AND METHODOLOGY:

Tuition

Currently, the Department of Defense tuition assistance pays up to \$250 per credit hour. The current NC Community College System (NCCCS) nonresident curriculum tuition rate is \$268 per credit hour. Thus, the maximum amount of tuition waived per credit hour is \$18. Should either of these rates change, the fiscal impact of this bill would change as well.

Eligible Population

NCCCS does not track students at the level required in order to precisely capture the population of students eligible to benefit from the tuition waiver in this bill. To approximate that population, NCCCS reported the total number of credit hours taken by nonresident members of the military in distance education courses that require no face-to-face contact. These students were enrolled in 17,409 credit hours in academic year 2015-16.

Cost Estimate

The minimum cost of this bill cannot be known due to the limitations of the data and the unpredictability of individual behavior and is therefore deemed indeterminate.

To estimate the maximum cost of this bill, this analysis assumes that every nonresident military student enrolled in distance education courses in 2015-16 would experience a break in enrollment due to the factors described in the bill. The analysis further assumes that these students would re-enroll in the same number of credit hours at the \$268 per credit hour rate, but instead pay only the \$250 per credit hour rate due to the waiver provided. For each credit hour in which a student would have re-enrolled at the full nonresident tuition rate of \$268 per credit hour, but would now instead pay \$250 per credit hour, the State will lose \$18 in revenue (\$268-\$250).

Therefore, the estimated maximum cost to the State of this bill is \$18 times the expected maximum number of credit hours enrolled (17,409) or \$313,362 in lost General Fund revenue.

The actual population of students who could benefit from this bill will vary from the proxy utilized in this analysis, which is based on potential eligible nonresident students enrolled in 2015-16. Some of these students may not be eligible or may be eligible for a varying amount of credit hours than they took in 2015-16, and some students may be eligible but were not enrolled in 2015-16 and are thus not captured in this estimate.

SOURCES OF DATA: NC Community College System

TECHNICAL CONSIDERATIONS: None

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