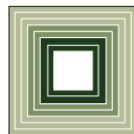


Resident Tuition for Nonresident Veterans

Joint Legislative Education Oversight Committee

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FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Background

- Prior to FY 2011-12, the federal Post 9/11 GI Bill capped tuition payments based on the highest in-state tuition in a state.
- Beginning in FY 2011-12, public school tuition is capped at the actual in-state tuition at the institution.
- This lowers the amount of tuition covered for most nonresident students.

Current Residency Requirements

- G.S. 116-143.1 mandates specific criteria for determining residency for tuition purposes.
- Determining residency is a complex legal matter, but it is generally the case that a person may receive resident status if:
 - A permanent resident of NC for the previous 12 months, and
 - Not a resident solely to attend an NC college or university.
- State statutes give special consideration to members of the military, their dependents, and members of the NC National Guard.

Nonresident vs. Resident Tuition

- For both NCCCS and the UNC System, nonresident tuition is substantially higher than resident tuition.
- Allowing a nonresident student to pay resident tuition causes the State to lose tuition revenue.

$$\begin{array}{r} \text{Nonresident Tuition} \\ - \text{Resident Tuition} \\ \hline \text{Tuition Lost} \end{array}$$

Nonresident vs. Resident Tuition

- The amount of tuition revenue lost is different for the two systems, and varies by UNC campus.
- Based on FY 2011-12 tuition, the amounts lost would be:
 - NCCCS: \$192/credit hour or \$6,144 per annual FTE.
 - UNC: Average of \$11,779 per student, from:
 - \$9,113 per year at WSSU to
 - \$19,825 per year at UNC-CH

Policy Options

1. Assist current students only.
(Estimated cost: \$7–10.5 million, nonrecurring)
2. Resident tuition for all veterans.
(No estimate available, at least \$7–10.5 million recurring)
3. Provide tuition assistance to nonresident veterans.
(Any amount)

1. Assist Current Students Only

- Provide nonrecurring funds to cover the cost of waiving existing nonresident, veteran students (and possibly their dependents) to resident tuition for one year.
- Future students would have a year to begin establishing residency in NC.
- Estimated cost: \$7 million to \$10.5 million, nonrecurring:
 - UNC: \$6.26 million
 - 516 GI Bill students (veterans and dependents) paying nonresident tuition rates in Fall 2011.
 - NCCCS: Between \$823,680 and \$4.39 million
 - 715 GI Bill students (veterans only) receiving paying nonresident tuition rates in FY 2010-11.

2. Resident Tuition for All Veterans

- Treat nonresident veterans (and possibly their dependents) as residents.
- No cost estimate available.
 - The minimum cost is \$7– \$10.5 million, recurring.
 - Could be substantially higher if nonresident, veteran student population grows.

3. Tuition Assistance

- Provide a source of funds for schools to assist their nonresident veteran students with tuition.
 - **Capped Tuition Waiver:** Provide a specific amount of funds, and permit the two systems to waive as many nonresident veterans to resident tuition as possible within that source of funds.
 - **Financial Assistance Program:** Create a scholarship program to assist nonresident, veteran students with their tuition costs. Nonresident veterans would still be treated as nonresident students but they could be eligible for a scholarship to cover the difference in cost.

3. Tuition Assistance (cont.)

- Consider using the federal Yellow Ribbon program to leverage State resources.
 - Federal program designed to help cover the gap between what the GI Bill will pay for and actual tuition.
 - Federal government pays half the cost of covering the gap and the school pays the other half.
 - Contract is between the institution and the Veterans Administration.
 - Schools would be required to continue funding regardless of State appropriations.

Ways to Limit Cost

- Capped options
- Participate in the Yellow Ribbon Program
- Restrict participation based on certain parameters:
 - Type of veteran
 - Type of benefit received
 - Dependents
 - Length of service
 - Stationed in NC
 - Living in NC
 - Income taxes in NC
 - Waiting period
 - Type of school attended
 - Start date
 - End date

Questions?