

Department of Military and Veterans Affairs (DMVA)

Scholarship Presentation by:

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To

General Government Oversight Committee

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NORTH CAROLINA DIVISION OF VETERANS AFFAIRS SCHOLARSHIP SUMMARY

In appreciation for the service and sacrifices of North Carolina's war veterans, a four-year scholarship program at North Carolina approved schools has been established for the qualifying children of certain class or category of deceased, disabled, combat, or POW/MIA veterans.

Class or Category of	Principal Eligibility Requirements (1) (Highly Condensed)	Number Allowed Each Year	Duration	In Public, Community & Technical	In Private College & Junior Colleges
Class I-A	Veteran parent killed or dies in wartime service or dies as a result of service-connected condition incurred in wartime service as defined by law	No Limit -as many as qualify	Four academic years if used within 8 years	(1) Free Tuition (2) A room allowance (3) A Board allowance (4) Exemption from certain mandatory fees set forth in the law .	\$7,000 per nine-month academic year
Class I-B	Veteran parent rated by USDVA as 100% disabled due to wartime service as defined in the law , and currently or at time of death drawing compensation for such disability	No Limit -as many as qualify	Four academic years if used within 8 years	(1) Free Tuition (2) Exemption from certain mandatory fees set forth in the law .	\$2,800 per nine-month academic Year
Class II	Veteran parent rated by USDVA as much as 20% but less than 100% disabled due to wartime service as defined in the law , or was awarded the Purple Heart for wounds received	No more than 100 per year - Must be received in the Director's Office on or before February 14.	Four academic years if used within 8 years	(1) Free Tuition (2) A room allowance (3) A Board allowance (4) Exemption from certain mandatory fees set forth in the law .	\$7,000 per nine-month academic year

Residency Requirements: (1) At time of application, applicant must be under age 25; a resident and Domiciled in North Carolina; **(2)** Veteran parent was a legal resident of North Carolina at the time of said veteran's entrance into that period of service in the armed forces during which eligibility is established; **OR (3)** The applicant is the natural child or adopted child prior to age 15, who was born in North Carolina and has been a resident of North Carolina continuously since birth.

Class or Category of	Principal Eligibility Requirements (1) (Highly Condensed)	Number Allowed Each Year	Duration	In Public, Community & Technical	In Private College & Junior Colleges
Class III	<p>A. Veteran parent is or was at time of death drawing pension for total and permanent disability as rated by the USDVA, or</p> <p>B. Veteran parent is a deceased war veteran who was honorably discharged and who does not qualify under any other provision within this synopsis, or</p> <p>C. Served in a combat zone or waters adjacent to a combat zone and received a campaign badge or medal and who does not qualify under any other provision within this synopsis.</p>	<p>No more than 100 per year - Must be received in the Director's Office on or before February 14.</p>	<p>Four academic years if used within 8 years</p>	<p>(1) Free Tuition (2) A room allowance (3) A Board allowance (4) Exemption from certain mandatory fees set forth in the law .</p>	<p>\$7,000 per nine-month academic year</p>
Class IV	<p>Veteran parent was a Prisoner of War or Missing In Action</p>	<p>No Limit -as many as qualify</p>	<p>Four academic years if used within 8 years</p>	<p>(1) Free Tuition (2) A room allowance (3) A Board allowance (4) Exemption from certain mandatory fees set forth in the law .</p>	<p>\$7,000 per nine-month academic year</p>

NOTE (1): For definition of an eligible veteran and eligible child, common to all eligibility classes, as well as other details, refer to the full text of the law.

NOTE (2): Provision exempts books, computers and supplies (G.S. 143B, Article 14).

NOTE (3): Classes IA, IB, & IV must be rec'd in Director's Office on/before December 1 to be awarded on January 1; or June 1 to be awarded July 1st.

Qualifying Criteria for Veteran Parent:

The veteran's qualifying criteria must have occurred during a period of war. (Exception: Eligibility may exist for peacetime veterans or reservists/National Guard if disability or death was incurred as a result of armed conflict or while engaged in extra-hazardous service.)

1. Dies during wartime service or service connected death (1); or
2. 100% totally disabled due to war time disability (1); or
3. 20-90% service connected or received Purple Heart due to war time disability (2); or
4. In receipt of non-service connected pension, or received campaign medal, or veteran parent is deceased (2); or
5. Former POW or MIA (1)

Award Scholarships only on 1 Jan and 1 July - not retroactive - all classes

All programs will be funded at the lessor rate - undergraduate rate - all classes

Number of Applicants and Recipients for the Past Five Years

	2012	2013	2014	2015	2016	2017
Scholarships Received	631	694	629	516	545	477
Awarded						
I-A	30	34	19	19	15	18
I-B	134	124	110	114	149	152
II	100	99	99	100	98	96
III	100	97	97	92	93	96
IV	0	0	0	0	0	0
<p>Note: 2017 applicants will increase. We are in the process of migrating scholarships to the new program and do not have an accurate total to date. Also, we will continue to receive applications through December 31, 2017.</p>						

Actual Expenditures for past five years

General Government Oversight Committee Actual Expenditures (past five years)			
Fiscal Year	536K10	536811	536810
	Escheat	Appropriations Public Schools	Appropriations Private School
FY 2013	\$6,520,964.00	\$3,263,192.40	\$367,082.00
FY 2014	\$6,933,784.15	\$2,190,831.45	\$370,750.00
FY 2015	\$5,834,723.00	\$1,895,670.68	\$314,446.68
FY 2016	\$7,258,836.00	\$1,062,238.00	\$359,250.00
FY 2017	\$6,502,090.78	\$2,359,183.02	\$340,500.00

Note: FY 2016 was the transition year from DOA to DMVA and actual expenditures were not coded accurately. Some 536811 funds were incorrectly posted to 536K10.

Planned use of the Additional funds appropriated for FY 2017-2018

- First, thanks for the additional funding for the scholarship program.
- As you are aware, the additional funding requested in Governor Cooper's budget was to restore room and board allowance.
- The House budget included the escheat money required to restore room and board allowance to our Class II and Class III scholarships.
- The final appropriations bill did not include any additional funding from Escheats.
- We will return in the short session requesting an additional \$1,500,000 in escheats funding. (recurring)
- The next slide will provide the breakdown of the additional funds appropriated for FY 2017-2018 as approved by the North Carolina Veterans Commission.

Planned use of the Additional funds appropriated for FY 2017-2018

Our plan is detailed below. The Veterans Commission approved to encumber \$298,000 in hopes of receiving necessary escheat funding in the short session. The remaining balance will be used to increase private school rates. These rates were last increased in 1987.

FY 2017-2018 Budget Scholarship Program				
Appropriations increase (recurring) \$536,443				
	Room & Bd.	Fy 2016-2017 Students		Increase needed
	\$4,140.00	72		\$298,080.00
Private Colleges				
	Students	Current Cost	Increase cost	Proposed cost
	FY 2014-2015	\$4500/\$1500	\$2500/\$1300	\$7000/\$2800
Totals	119	\$445,500.00	\$261,500.00	\$707,000.00
	Appropriation	Class IA Encumbered	Remaining Balance	\$2500/\$1300
	\$536,443.00	\$298,080.00	\$238,363.00	-\$23,137.00
Reviewed past five years for student population and picked highest number attending private schools for greatest impact				

Session Law 2017-57, Section 19.2 (b)

DMVA plans to implement the following policy regarding amended G.S. 143B-1224. Definitions (7) “Veteran” “allows for active duty veterans who have completed one enlistment or fulfilled initial contract for eligibility to the scholarship program”

Officers and enlisted personnel will be eligible. We will require the following documents to ensure meeting other requirements of the statute, i.e. residency.

The applicant’s veteran parent will be required to submit with the application the following documents:

Commission Officers

- Commission Officers shall submit a copy of their initial contract;
- A military I.D. card to ensure officer has fulfilled active duty initial contract.

Enlisted Service Members

- Enlisted members shall submit a copy of initial enlistment contract;
- To prove completed initial enlistment, active duty member shall submit a copy of reenlistment papers.

Session Law 2017-57, Section 19.2 (b)

DMVA plans to implement the following policy regarding amended G.S. 143B-1226. Classes or categories of eligibility under which scholarships may be awarded.

- DMVA does not plan to make any changes to Class IB. Class IB is an automatic scholarship and must be awarded if all statutory criteria is met.
- DMVA will track all competitive scholarships, Class II and Class III, and will make recommendations to the Commission for selection with priority as stipulated in Administrative rule **01 NCAC 26B .0106, (3) (a), (b), and (c)**. **Example: if an applicant has eligibility in both class II and class III, that applicant will be assured consideration under both classes with the priority given to the greater financial need, scholastic ability (GPA, rigor, and SAT or ACT), and character, reputation, industry, accomplishments, and handicaps (if any) of the eligible child.**

Session Law 2017-57, Section 19.2 (b)

DMVA requests either a technical amendment or statutory amendment to G.S. 143B-1226 (b) 4 (b) and (c). There is a statutory conflict with the new amendment section 143B-1226 (a) “...A child may be considered for a scholarship under more than one eligibility class...”

The following should be deleted in current statute section 143B – 1226 (4) b and c.

b. ~~Is deceased and who does not fall within the provisions of any other eligibility class described in G.S. 143-1226(1), (2), (3), (4)a., nor (5).~~

c. ~~...authorizes a campaign badge or medal, “...who does not fall within the provisions of any other class described in G.S. 143B-126(1), (2), (3), (4)a., or (5).”~~

Questions and Answers

