

Item 3 Residency for Tuition Purposes for Military-Affiliated Students

Situation: The Committee will discuss progress with legislative strategy.

Background: The Board seeks delegated authority from the North Carolina General Assembly to establish tuition rates for military-affiliated students.

Assessment: Staff will update Committee members on progress with legislative strategy .

Action: For Discussion

Legislative Policy Priority Discussion Draft Tuition Rates for Military-Affiliated Students

Two Requests

1. Policy Request for Statutory Authority

The Board of Governors seeks delegated authority through statute from the North Carolina General Assembly to classify military-affiliated students as residents for tuition purposes.

2. One-time Funding Request in the Continuation Budget for Fiscal Year 2015

If approved by the North Carolina General Assembly, the new policy requires a “one-time” appropriation in the fiscal year 2014-2015 State’s continuation budget. For fiscal year 2015-2016 and beyond, funding for this policy will be factored into the University’s annual enrollment growth funding request of the North Carolina General Assembly. See the charts on page three for cost estimates based upon out of state student enrollment for academic year 2011-2012.

Basis for the Requests

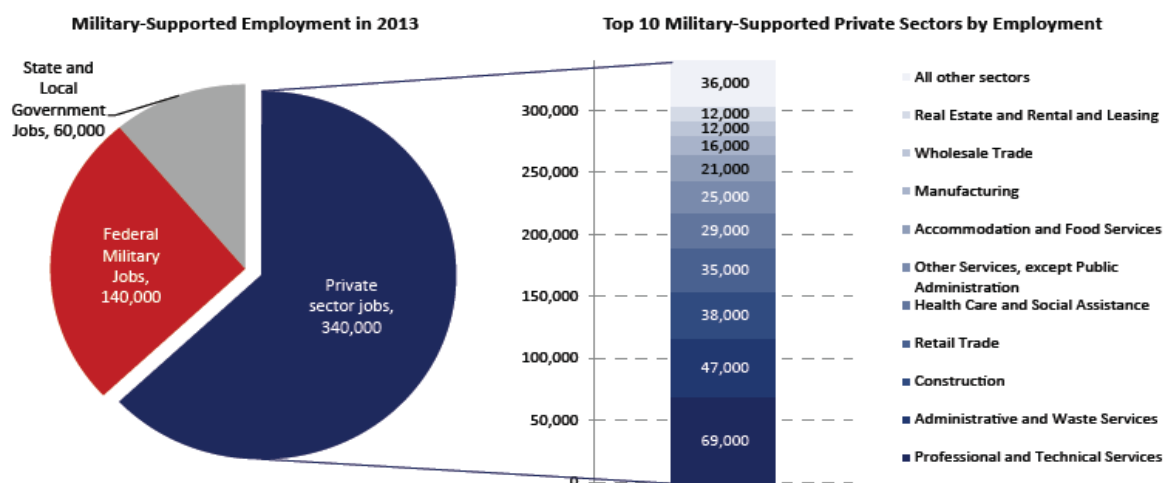
North Carolina must remain competitive during DoD cuts and BRAC decision-making processes.

- Twenty-eight states provide some degree of early residency status to certain veterans and their families. North Carolina is not one of these states.
- The federal government is poised to mandate that state institutions of higher education must offer in-state tuition to certain veterans. It is in North Carolina’s best interest to have a “grandfathered” policy.
- The DoD has identified in-state tuition for veterans as one of its top ten quality of life policy issues for military families.

The military has a significant impact on North Carolina’s economy and a direct impact on private sector employment¹.

Economic Indicator	Estimated Impact in 2013	Share of NC Total
Employment	540,000	10%
Personal Income	\$30 billion	8%
Gross State Product	\$48 billion	12%

Figure V: The Composition of Military-Supported Employment in North Carolina



¹ (North Carolina Department of Commerce, 2013)

- 20 percent (69,000) of the military-affiliated private sector jobs are considered “professional or technical service” jobs.
- Professional, Scientific, and Technical Services sector jobs require a high degree of expertise and training. Activities performed include: legal counsel and representation; accounting, bookkeeping, and payroll services; architectural, engineering, and specialized design services; computer services; consulting services; research services; advertising services; photographic services; translation and interpretation services; veterinary services; and other professional, scientific, and technical services².
- Jobs in the Professional, Scientific and Technical Services sector generally require some education beyond high school, often Associates, Bachelors, Masters or Doctoral degrees.

North Carolina can capitalize upon the federal government’s investment in service members and veterans.

- The federal government invests millions of dollars in each service member’s education, training and experience to produce people with the following attributes: integrity, courage, perseverance, personal responsibility, professionalism, adaptability, and teamwork.
- North Carolina should leverage this investment for the benefit of the state.

Keeping veterans in North Carolina is a smart economic growth strategy.

- Veterans as a group are twice as likely to vote as the rest of the electorate.
- Veterans are at least 45 percent more likely to become entrepreneurs than people with no active-duty military experience, according to a May 2011 study from the SBA Office of Advocacy.
- In 2011, Veterans who worked year-round and full time had higher median earnings and higher personal incomes than their non-Veteran counterparts.
- Median personal incomes of minority Veterans are higher than their Non-Veteran counterparts in 2011.
- On average, most minority Veterans appear to be better off in terms of some key socio-economic indicators (education, employment, poverty, health care coverage) than their non-Veteran minority counterparts.

Reduce Veteran unemployment rates in North Carolina, particularly among the youngest Veterans

- Younger Veterans not in the workforce are likely collecting unemployment while deciding what to study, where to go to school, and taking the steps necessary to establish residency for tuition purposes at public institutions of higher education in North Carolina.

² (United States Department of Labor, Bureau of Labor Statistics, 2013)

Projected Cost Based Upon 2011-2012 Student Population

Nonresident Veteran In-State Tuition Cost Estimate - Full-Time 2013-14 Rates					
Row Labels	Resident	Non-Resident	Difference	# of Students*	Revenue Required
Appalachian State University	\$ 3,772	\$ 15,980	\$ 12,208	16	\$ 195,328
East Carolina University	\$ 3,959	\$ 18,072	\$ 14,113	51	\$ 719,763
Elizabeth City State University	\$ 2,776	\$ 13,633	\$ 10,857	19	\$ 206,282
Fayetteville State University	\$ 2,743	\$ 13,539	\$ 10,796	27	\$ 291,498
North Carolina A & T State University	\$ 3,270	\$ 14,351	\$ 11,081	55	\$ 609,455
North Carolina Central University	\$ 3,455	\$ 14,028	\$ 10,573	19	\$ 200,887
North Carolina State University at Raleigh	\$ 6,038	\$ 19,493	\$ 13,455	62	\$ 834,210
University of North Carolina at Asheville	\$ 3,666	\$ 17,488	\$ 13,822	3	\$ 41,466
University of North Carolina at Chapel Hill	\$ 6,423	\$ 28,205	\$ 21,782	72	\$ 1,568,304
University of North Carolina at Charlotte	\$ 3,522	\$ 16,051	\$ 12,529	82	\$ 1,027,378
University of North Carolina at Greensboro	\$ 3,932	\$ 17,730	\$ 13,798	33	\$ 455,334
University of North Carolina at Pembroke	\$ 3,211	\$ 12,418	\$ 9,207	10	\$ 92,070
University of North Carolina at Wilmington	\$ 4,026	\$ 16,163	\$ 12,137	35	\$ 424,785
University of North Carolina School of the Arts	\$ 5,870	\$ 19,015	\$ 13,145	0	\$ -
Western Carolina University	\$ 3,669	\$ 13,266	\$ 9,597	45	\$ 431,865
Winston-Salem State University	\$ 3,144	\$ 11,957	\$ 8,813	18	\$ 158,634
				547	\$ 7,257,259
*2011-12 average enrollment of nonresident veterans in the UNC System.					

Nonresident Veteran In-State Tuition Cost Estimate - Full-Time 2013-14 Rates					
Row Labels	Resident	Non-Resident	Difference	# of Students*	Revenue Required
Appalachian State University	\$ 3,772	\$ 15,980	\$ 12,208	19	\$ 231,952
East Carolina University	\$ 3,959	\$ 18,072	\$ 14,113	61	\$ 860,893
Elizabeth City State University	\$ 2,776	\$ 13,633	\$ 10,857	23	\$ 249,709
Fayetteville State University	\$ 2,743	\$ 13,539	\$ 10,796	32	\$ 345,480
North Carolina A & T State University	\$ 3,270	\$ 14,351	\$ 11,081	66	\$ 731,346
North Carolina Central University	\$ 3,455	\$ 14,028	\$ 10,573	23	\$ 243,179
North Carolina State University at Raleigh	\$ 6,038	\$ 19,493	\$ 13,455	74	\$ 995,670
University of North Carolina at Asheville	\$ 3,666	\$ 17,488	\$ 13,822	4	\$ 55,288
University of North Carolina at Chapel Hill	\$ 6,423	\$ 28,205	\$ 21,782	86	\$ 1,873,252
University of North Carolina at Charlotte	\$ 3,522	\$ 16,051	\$ 12,529	98	\$ 1,227,842
University of North Carolina at Greensboro	\$ 3,932	\$ 17,730	\$ 13,798	40	\$ 551,920
University of North Carolina at Pembroke	\$ 3,211	\$ 12,418	\$ 9,207	12	\$ 110,484
University of North Carolina at Wilmington	\$ 4,026	\$ 16,163	\$ 12,137	42	\$ 509,742
University of North Carolina School of the Arts	\$ 5,870	\$ 19,015	\$ 13,145	0	\$ -
Western Carolina University	\$ 3,669	\$ 13,266	\$ 9,597	54	\$ 518,238
Winston-Salem State University	\$ 3,144	\$ 11,957	\$ 8,813	22	\$ 193,886
				656	\$ 8,698,881
*120% of 2011-12 average enrollment of nonresident veterans in the UNC System.					