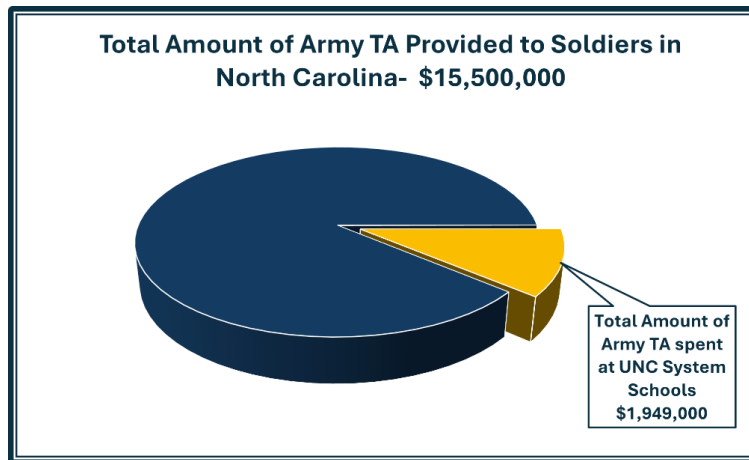




Area:	Access; Affordability and Efficiency
Topic:	Discounted tuition for students using Military Tuition Assistance and employer-sponsored education benefits
Governance:	Provisions within G.S. 116-143
Current Status:	The University is missing out on opportunities to serve more military-affiliated students utilizing Military Tuition Assistance and other working adults utilizing employer tuition benefits due to statutory restrictions on tuition discounting that put our constituent institutions at a disadvantage compared to out-of-state competitors. Targeted flexibility to discount tuition when certain conditions are met would create opportunity to generate additional partnerships between the military, employers, and constituent institutions.
Current Challenges:	<p>Working adults—including the large number of active-duty servicemembers stationed in North Carolina—need educational opportunities that are online, on-demand, and priced at or below the federally-established Military Tuition Assistance rate (\$250 per credit hour). In partnership with Project Kitty Hawk, North Carolina Central University, Appalachian State University, and East Carolina University currently offer the kinds of flexible, workforce-aligned programs that military-affiliated students seek. However, because these Project Kitty Hawk-powered programs are, at the General Assembly’s request, operated on a self-supporting basis and are not included in the enrollment funding model, tuition prices exceed the current Military Tuition Assistance rate.</p> <p>To ensure that Project Kitty Hawk can compete with out-of-state universities for military-affiliated students, the General Assembly could grant the Board of Governors the ability to provide discounted tuition to students using Military Tuition Assistance. Such flexibility would enable our constituent universities to become a top destination for active-duty personnel stationed in North Carolina, which is not the case today.</p> <p>Employer partnerships with universities, wherein current employees are offered tuition assistance from employers to enroll in and complete a degree program aligned with the employer’s needs, often also depend on the flexibility to discount tuition for those working learners. The General Assembly could therefore grant the Board of Governors the ability, on a case-by-case basis, to allow universities to discount tuition rates in particular degree and credential programs in which an employer has committed to invest in tuition assistance and/or scholarships to help cover the cost of tuition in that academic program. If granted such flexibility, the Board of Governors would then articulate the criteria under which such approvals would be granted and the process for securing those approvals, including a clear assessment of the benefits to the state, our students, and the constituent university.</p>
Proposed Action or proposed new statutory language:	<p>Amend G.S. 116-143:</p> <p><u>(f) Notwithstanding subsection (c) of this section, the Board of Governors of the University of North Carolina may provide discounted tuition to students under the following conditions:</u></p> <ol style="list-style-type: none"> <u>(1) The student pays for the discounted tuition, in whole or in part, with Military Tuition Assistance; or</u> <u>(2) The student is an employee enrolled in a program approved by the Board of Governors in which the student’s employer has committed to provide financial support to offset the cost of tuition and fees in the student’s degree or credential program.</u> <p><i>Note that this flexibility will not impact the enrollment funding model, as the revised model no longer bases state appropriation on tuition receipts.</i></p>

In FY 2024, the Army spent approximately \$15.5m on tuition assistance for Soldiers **living in North Carolina** (primarily at Fort Bragg and NC Army Reserve units).

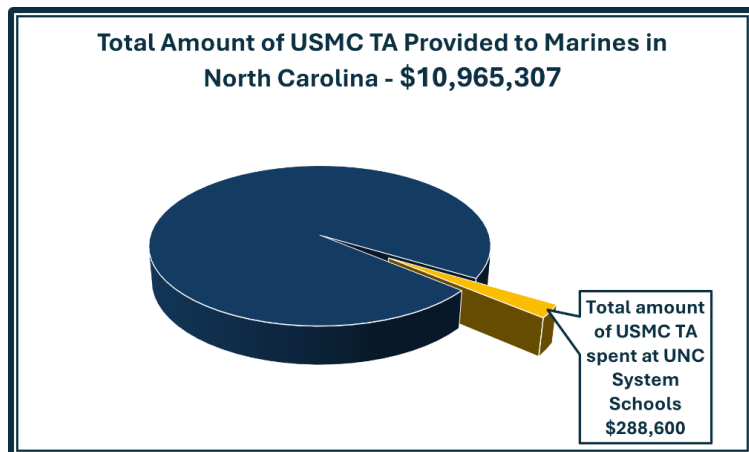
Of the \$15.5m spent on Army TA in FY 24, only **12.57 percent** was spent at UNC System Schools.



According to the Education Services Office at Joint Force Headquarters, the vast majority of soldiers in NC are attending either private, for-profit, or out-of-state schools. The primary reason for this is that these schools offer programs with tuition rates below the \$250 per credit hour TA cap.

In FY 2024, the US Marine Corps spent approximately \$10.9m on tuition assistance for Marines **living in North Carolina** (primarily at Camp Lejeune and MCAS Cherry Point).

Of the \$10.9m spent on USMC TA in FY 24, only **2.63 percent** was spent at UNC System Institutions.



According to the Education Services Office for Camp Lejeune and MCAS Cherry Point, for the past 4 years, the 10 Institutions that receive the most USMC TA for Marines **living in NC** include **no** universities from the UNC System. UNC System Institutions are not even in the top 25 most popular Institutions of Higher Learning for North Carolina's Marines. Like the Army, the primary reason for this is that private, for-profit, and out-of-state schools offer programs with tuition rates below the \$250 per credit hour TA cap.

In order for the UNC System to compete with private, for-profit, and out-of-state schools for military students **living in our own state**, it is imperative that our universities have the ability to offer tuition rates for active-duty service members that fall below the \$250 per credit hour tuition assistance cap.