

THE UNIVERSITY OF NORTH CAROLINA
OFFICE OF THE PRESIDENT

ADMINISTRATIVE MEMORANDUM

SUBJECT Revised guidance for implementing the military tuition law (G.S. 116-143.3); reporting the residence of military personnel and their dependents for FTE purposes

NUMBER 376
DATE October 22, 1997

This Administrative Memorandum supersedes Administrative Memorandum Number 221 (dated August 2, 1985) and Administrative Memorandum Number 255 (dated October 13, 1987). The text of this document is, essentially, Section X-D-1-2 of The Administrative Manual of The University of North Carolina, revised to incorporate an amendment to G.S. 116-143.3(b), effected by Session Law 1997-443, that changes the FTE reporting of certain recipients of the military tuition benefit. The substance of the 1997 amendment was first reported to the constituent institutions by a memorandum of September 25, 1997, from Mr. David Edwards, Special Assistant to the President. The substance of the amendment is incorporated into Example C and paragraph 3, below; the statute, as amended, is attached.

1. Section IV.B.5.c. of the residence *Manual* establishes policies for determining the tuition rates for military personnel assigned to a post in this state and living in this state incident to that duty. If the student applies for in-state tuition, the *Manual* should be consulted to determine whether the student qualifies based upon residency circumstances (i.e., as a North Carolina legal resident of at least 12 months duration). If so, the military tuition benefit under G.S. 116-143.3 need not be considered. If the student does not qualify under G.S. 116-143.1 as a resident for tuition purposes, then G.S. 116-143.3(b) governs determination of the tuition to be charged. However, to avoid wrestling with the complexity of the statutory language, one can use the following algebraic formulas to compute the tuition to be charged and the amount of the Nonresident Tuition Waiver, if any, in a manner consistent with the statute:

$$T = (P \times O) + (I - [P \times I])$$

$$W = O - T$$

Where

T = the TOTAL tuition to be paid to the enrolling institution.

O = the OUT-OF-STATE TUITION RATE for the number of hours enrolled (i.e., the rate that would be charged to a non-military out-of-state student enrolled for the same number of hours).

I = the IN-STATE TUITION RATE for the number of hours enrolled (i.e., the rate that would be charged to a non-military in-state student enrolled for the same number of hours).

P = the PERCENTAGE (expressed in decimal form) of the out-of-state tuition rate that the military (or other federal governmental program) will pay to either the institution or to the student. If given in a dollar amount, the percentage is determined by dividing the dollar amount of the military portion by the out-of-state rate.

W = the amount of the Nonresident Tuition WAIVER (990-0125 on the chart of accounts).

EXAMPLE A. Assume that for a full-time undergraduate student the out-of-state tuition for a semester is \$9,800 and the in-state rate is \$2,000. The military will pay the institution 75% of the out-of-state tuition fee. Apply the formula, $T = (P \times O) + (I - [P \times I])$:

$$O = \$9,800 \quad I = \$2,000$$

$$P = .75$$

$$T = (.75 \times 9,800) + (2,000 - [.75 \times 2,000])$$

$$T = 7,350 + 500$$

T = \$7,850 The student is responsible for \$7,850. Of that sum, the military will pay the institution \$7,350, and the student will pay \$500.

Applying the formula, $W = O - T$:

$$W = 9,800 - 7,850$$

$$W = \$1,950$$

EXAMPLE B. Assume that a student is taking only six semester hours. Further, assume that for 6 hours the out-of-state tuition rate is \$4,900 and the in-state rate is \$1,000. You are informed that the military will pay \$4,410 to the student for taking these six hours. Apply the formula, $T = (P \times O) + (I - [P \times I])$:

$$O = \$4,900 \quad I = \$1,000$$

$$P = 4,410/4,900 = .90$$

$$T = (.90 \times 4,900) + (1,000 - [.90 \times 1,000])$$

$$T = 4,410 + 100$$

$$T = \$4,510 \text{ The student pays the institution the entire \$4,510} \\ \text{(although only \$100 is out-of-pocket).}$$

Applying the formula, $W = O - T$:

$$W = 4,900 - 4,410$$

$$W = \$490$$

EXAMPLE C. Assume that a service member seeks to enroll under the same circumstances as in Example B except that there is NOT available for payment from the government ANY percentage or portion of the tuition cost. Under G.S. 116-143.3(b), as amended in the 1997 General Assembly, the service member is charged the in-state tuition rate. There is no formula computation to determine waiver of the nonresident tuition differential, as the rate is not derived through waiver but under statutory declaration affording the in-state tuition rate.

2. Under G.S. 116-143.3(c) a military dependent relative (as defined in the residence *Manual*) of a member of the armed services assigned within and living in the State, regardless of the residuary status of the service member, is charged the in-state tuition rate.

3. A service member who does not qualify for the in-state tuition rate as a legal resident for tuition purposes under G.S. 116-143.1 should be reported as an out-of-state student unless the service member qualifies under G.S. 116-143.3(b) for the in-state rate (because there is no military tuition entitlement). In the latter case the service member is reported as an in-state student who resides in the county where stationed. The dependent relative of a service member qualifying for the military tuition benefit under G.S. 116-143.3(c) should be reported as a resident of the county in which the sponsoring service member is stationed.

§116-143.3. Tuition of personnel in the armed services.

(a) For purposes of this section the term "armed services" shall mean the United States Air Force, Army, Coast Guard, Marine Corps, and Navy; the North Carolina National Guard; and any Reserve Component of the foregoing. The term "abode" shall mean the place where a person actually lives, whether temporarily or permanently; the term "abide" shall mean to live in a given place.

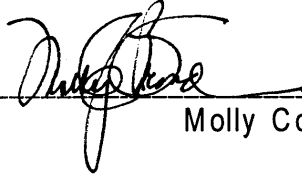
(b) Any member of the armed services qualifying for admission to an institution of higher education as defined in G.S. 116-143.1(a)(3) but not qualifying as a resident for tuition purposes under G.S. 116-143.1 shall be charged the out-of-State tuition rate, provided, that the out-of-State tuition shall be forgiven to the extent that the out-of-State tuition rate exceeds any amounts payable to the institution or the service member by the service member's employer by reason of enrollment pursuant to such admission while the member is abiding in this State incident to active military duty, plus the amount that represents the percentage of the out-of-State tuition rate paid to the institution or the service member by the service member's employer multiplied by the in-State tuition rate and then subtracted from the in-State tuition rate. Any member of the armed services who does not qualify for any payment by the member's employer shall be eligible to be charged the in-State tuition rate and shall pay the full amount of the in-State tuition rate.

(c) Any dependent relative of a member of the armed services who is abiding in this State incident to active military duty, as defined by the Board of Governors of The University of North Carolina and by the North Carolina Board of Community Colleges while sharing the abode of that member shall be eligible to be charged the in-State tuition rate, if the dependent relative qualifies for admission at an institution of higher education as defined in G.S. 116-143.1(a)(3). The dependent relatives shall comply with the requirements of the Selective Service System, if applicable, in order to be accorded this benefit. In the event the member of the armed services removes his abode from North Carolina during an academic year, the dependent relative shall continue to be eligible for the in-State tuition rate during the remainder of that academic year.

(d) The burden of proving entitlement to the benefit of this section shall lie with the applicant therefor.

(e) A person charged less than the out-of-State tuition rate solely by reason of this section shall not, during the period of receiving that benefit, qualify for or be the basis of conferring the benefits of G.S. 116-143.1(g), (h), (i), (j), (k), or (l).

Questions concerning this Administrative Memorandum may be addressed to Mr. Edwards, of this office.



Molly Corbett Broad

Attachment: G.S. 116-143.3, as amended by Session Law 1997-443, section 10.2