



This Bill Analysis reflects the contents of the bill as it was presented in committee.

SENATE BILL 478: In-State Tuition For Certain Vets/Fed Prog

2015-2016 General Assembly

Committee:	House Education - Universities	Date:	June 16, 2015
Introduced by:	Sens. Brown, Rabon, Sanderson	Prepared by:	Denise Adams
Analysis of:	PCS to Second Edition S478-CSTB-20		Legislative Analyst

SUMMARY: Senate Bill 478 would make certain non-resident veterans and other individuals entitled to federal education benefits under the Montgomery GI Bill Active Duty Education Program or the Post-9/11 Educational Assistance Program eligible for in-state tuition by waiving the 12-month residency requirement.

The Proposed Committee Substitute (PCS) for Senate Bill 478 makes a clarifying change.

CURRENT LAW and BACKGROUND: Under current law, any active duty member of the Armed Forces who qualifies for admission to the UNC system or a community college, but does not qualify as a resident for in-state tuition purposes, is eligible to be charged in-State tuition while stationed in North Carolina. If the member is reassigned outside of the State, the member continues to be eligible for in-State tuition as long as the member is continuously enrolled in the degree or other program in which the member was enrolled at the time the member is reassigned.

In 2011, Congress reduced Post-9/11 GI Bill benefits for non-resident students attending public universities. Most students paying non-resident tuition rates experienced an increased “tuition gap” – the difference between GI Bill benefits and actual tuition charges.

In the 2014 Appropriations Act, the General Assembly authorized, beginning with the 2015-2016 academic year, the Board of Governors of The University of North Carolina (UNC), the State Board of Community Colleges (SBCC), any of the UNC constituent institutions or any of the community colleges (institutions of higher education) to annually enter into agreements with the United States Secretary of Veterans Affairs (VA) to participate in the federal Yellow Ribbon Program (Program). The agreement must provide a grant of 90% of tuition and fees not otherwise covered to eligible veterans, spouses, or dependent relatives enrolled as undergraduates or in community colleges who meet requirements established by the federal government. Constituent institutions are not prohibited from using private funds to participate in the Program for graduate programs. Two reserve funds for the purpose of forward funding tuition assistance through the Program for undergraduate and community college tuition assistance were established, to be used beginning with the 2015-2016 fiscal year.

In August of 2014, Congress enacted P.L. 113-146, Veterans Access, Choice, and Accountability Act. Section 702 of this act requires the VA to disapprove programs of education if a covered individual is charged tuition and fees in excess of the rate for resident students, effective July 1, 2015.

On October 29, 2014, the VA sent a letter to all 50 Governors and requested definitive information on the states' ability to meet the requirements of Section 702. According to the VA, North Carolina formally replied by the requested deadline and indicated intent to comply by July 1, 2015.

On May 15, 2015, the State received a letter from the Department of Veterans Affairs, which states in part: "[T]he Secretary of Veterans Affairs has waived the requirements as to programs that are not in

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compliance for terms beginning prior to January 1, 2016. This waiver allows additional time for those states and schools not able to achieve compliance before July 2, 2015, to make the necessary changes. This will ensure GI Bill students are able to continue training at their chosen institutions and receive their GI Bill benefits." Due to this waiver, states now have until January 1, 2016, in which to comply. The current version of Senate Bill 478 continues to have the original effective date of July 1, 2015.

If North Carolina fails to comply with Section 702 of the Veterans Access, Choice and Accountability Act of 2014 by the new date of January 1, 2016, no qualifying veteran or other individuals entitled to these federal education benefits, regardless of the veteran's or individual's residency status, will be eligible to use these benefits at any North Carolina public institution of higher education for terms beginning January 1, 2016.

BILL ANALYSIS: The PCS to Senate Bill 478 makes certain veterans and other individuals entitled to federal education benefits under the Montgomery GI Bill Active Duty Education Program or the Post-9/11 Educational Assistance Program eligible for in-State tuition by waiving the 12-month residency requirement if certain conditions are met.

- The 12 month residency requirement would be waived for any veteran who meets the following criteria:
 - Served active duty for at least 90 days in the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration.
 - Was discharged or released under conditions other than dishonorable.
 - Qualifies for admission to the institution of higher education.
 - Enrolls within 3 years of the veteran's discharge or release.
 - Qualifies for and uses federal educational benefits under either the 38 USC Chapter 30 (Montgomery GI Bill Active Duty Education Program) or 38 USC Chapter 33 (Post -9/11 Educational Assistance).
 - The veteran's abode is North Carolina (which means the veteran actually lives in NC, whether temporarily or permanently.)
 - Provides the institution of higher education with a letter of intent to establish legal residence in North Carolina.
- The 12 month residency requirement would be waived for any other person who meets the following criteria:
 - The person is the recipient of a veteran's federal educational benefits under either 38 USC Chapter 30 (Montgomery GI Bill Active Duty Education Program) or 38 USC Chapter 33 (Post -9/11 Educational Assistance).
 - The person qualifies for admission and enrolls in an institution of higher education within 3 years of the veteran's discharge or release from the Armed Forces, the Commissioned Corps of the U.S. Public Health Service, or the National Oceanic and Atmospheric Administration
 - The person's abode is North Carolina.
 - The person provides the institution of higher education with a letter of intent to establish legal residence in North Carolina.

The PCS to Senate Bill 478 would also:

- Provide that, after the expiration of the three year period following discharge or death, any enrolled veteran or recipient of transferred federal educational benefits for whom the 12 month residency requirement was waived would continue to be eligible for the in-State tuition rate so

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long as the veteran or recipient remains continuously enrolled at that same institution of higher education.

- Repeal G.S. 116-143.8 which requires one or more constituent institutions and one or more community colleges to enter into an annual agreement to participate in the Yellow Ribbon Program.

EFFECTIVE DATE: The bill would become effective July 1, 2015, and would apply to qualifying veterans and other individuals entitled to federal educational benefits under 38 U.S.C. Chapter 30 or 38 U.S.C. Chapter 33 who are enrolled or who enroll in institutions of higher education for any academic quarter, term, or semester that begins on or after that date.