

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** SB 424 (3rd Edition)

**SHORT TITLE:** Tuition Waiver Correction

**SPONSOR(S):** Senator Hartsell

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>	<b><u>FY 2006-07</u></b>	<b><u>FY 2007-08</u></b>
<b>REVENUES</b>	<b>**** See Assumptions and Methodology ****</b>				
<b>EXPENDITURES</b>	Exact amount cannot be determined; some impact anticipated				
<b>POSITIONS: (cumulative)</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	Community Colleges and Universities				
<b>EFFECTIVE DATE:</b>	July 1, 2003				

**BILL SUMMARY:** S.L. 1997-505 provided tuition waivers for survivors of law enforcement officers, firefighters, volunteer firefighters, or rescue squad workers killed as a direct result of a traumatic injury sustained in the line of duty, and for the spouse and children of law enforcement officers, firefighters, volunteer firefighters, or rescue squad workers permanently and totally disabled as a direct result of a traumatic injury sustained in the line of duty. S.L. 1997-505(6) restricted waivers to deaths or disabilities occurring on or after October 1, 1997. SB 424 removes the October 1, 1997 restriction and makes technical corrections to G.S. 115B-2.

**ASSUMPTIONS AND METHODOLOGY:**

1. In the Community College System, three people have applied for a tuition waiver under G.S. 115B-2(2), (3), or (4) since 1997. Assuming they were enrolled in a curriculum program full-time, the cost of those waivers would have been \$3,184.
2. Twenty-one students have utilized the waiver in the university system since 1997. Although no information is available regarding where and for how long these students were enrolled, the maximum cost to the State for these waivers can be calculated by assuming four years enrollment at UNC-Chapel Hill. Based on that assumption, the maximum cost of those waivers would have been \$164,864.

3. According to State Employees' Retirement System data, 231 new death benefit claims have been filed since FY75-76. This figure includes law enforcement officers, firemen rescue squad workers, Civil Air Patrol members, and State Forestry Employees. Civil Air Patrol members and State Forestry employees do not qualify for tuition waivers under G.S. 115B-2. It is unknown how many death benefit claims were made in each category.
4. According to Local Governmental Employees' Retirement System data, 1,809 firefighters or law enforcement personnel are currently receiving disability benefits. Since citizens over the age of 65 receive tuition waivers regardless of their disability status, only firefighters or law enforcement personnel aged 65 or younger would affect the cost of this bill. 1,586 firefighters or law enforcement personnel aged 65 or younger receive disability benefits.
5. G.S. 115B-2 waives tuition for the survivors of a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker killed in the line of duty; the spouse of a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker who is permanently and totally disabled as a direct result of an injury sustained in the line of duty; and the children aged 17 to 23 of a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker who is permanently and totally disabled as a direct result of an injury sustained in the line of duty. No data is available regarding the marital status or number of children of law enforcement officers, firefighters, volunteer firefighters, or rescue squad workers.
6. Given the lack of data available regarding the number of people eligible for tuition waivers under G.S. 115B-2, no fiscal estimate is available for S.B. 424.

**SOURCES OF DATA:** North Carolina Local Governmental Employees' Retirement System Report on the Actuarial Valuation Prepared as of December 31, 2001; State Employees Retirement System data; NC Community College System data; University of North Carolina, General Administration data.

**TECHNICAL CONSIDERATIONS:**

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**DATE:** June 3, 2003



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