

N.C. GENERAL ASSEMBLY LEGISLATIVE FISCAL NOTE

Fiscal Research
733-4910

Prepared By: Jim Newlin	Date Prepared: 3/20/89	Bill No.: SB333	Edition: 1
Approved By: Tom Covington			Sponsor: Jim Johnson
Short Title: Free Tuition/Certain Dependents			

TYPE OF FISCAL IMPACT	FUNDS AFFECTED:			() Other:		
	(X) General			() Highway		() Local
	County/		State Fiscal Impact	FY	FY	FY
	State Gov't	Local Gov't		89-90	90-91	91-92
No Fiscal Impact	()	()	State Total Req'ments	864	1,728	2,592
			Receipts/Revenues	(4,881)	(10,800)	(17,755)
Increase Expenditure	(X)	()	Net State Expend./Rev.	5,745	12,528	20,347
Decrease Expenditure	()	()	No. of Positions	(See attached table)		
			Local Fiscal Impact	FY	FY	FY
Increase Revenue	()	()	Local Total Req'ments			
Decrease Revenue	(X)	()	Receipts/Revenues			
No Estimate Avail.	()	()	Net Local Expend./Rev.			
			No. of Positions			Y

Description of Legislation

1. Summary of Legislation:

Adds GS 116-143.4 to provide free tuition to any UNC constituent institution for qualified and accepted minor dependent relatives of NC law enforcement officers, firemen, or rescue squad workers killed or permanently and totally disabled in the line of duty. Eligibility extends for five academic years beginning with year of admission. Free tuition not to exceed four years and dependent not eligible for free tuition if receiving any other tuition grant.

Also provides free tuition to any dependent (not limited to minors) attending and passing any accredited institution of learning above the high school (not limited to UNC institutions) at time of death or permanent disability of law enforcement officer, rescue squad worker, or fireman.

2. Effective Date: July 1, 1989

3. Fund or Tax Affected: General Fund

4. Principal Department/Program Affected: Section 1(b) affects the University of North Carolina campuses. Section 1(c) could also affect the UNC campuses, the Community College budget, and an unidentified impact would be the source of funds to pay grants to dependents attending private colleges, both in-state and out-of-state, both non-profit and for-profit as provided in section 1(b).

Cost or Revenue Impact on State	FY 89-90	FY 90-91	FY 91-92
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues	\$5,745	\$12,528	\$20,347

(See attached table for long-run impact from Sec.1(b))

3. Fiscal/Revenue Assumptions:

1. In the State Retirement System (TSERS), 1% of members are law enforcement officers. We assume that 5% of all new disability applicants are law enforcement or firefighters.
2. In the Local Government Retirement System, 18% of disability applicants are firemen and law enforcement officers.
3. For those currently receiving disability retirement payments from the State system, law enforcement officers are estimated to be 5% of the total.
4. Of the estimated 92 disabilities annually for law enforcement officers, firemen and rescue squad workers, Fiscal Research assumes 25% (23) are in the line of duty.
5. Of the estimated 8-9 deaths per year in the line of duty and the estimated 23 disabilities per year in the line of duty, Fiscal Research assumes 75% of these members have one minor child who will attend college under this bill, for a total of 24 dependents per year. We further assume that the age distribution of these dependents is such that they will enter college evenly over a ten-year

period.

6. Of the estimated 475 firemen, law enforcement officers and rescue squad workers under the age of 55 currently receiving disability retirement benefits, Fiscal Research assumes that 25% (119) were related to "line of duty." We further assume that 75% of these members have one child who will attend college under this bill (89), and that the age distribution is such that they will enter college evenly over a ten-year period.
7. The estimate assumes regular term tuition at a mid-level institution which is \$432 per year. This estimate currently also assumes no increases in the current tuition rate.
8. Fiscal Research assumed that Section 1(c) of the bill would add two dependents per year to the annual cost base.

Cost/Revenue Impact on County or Local Government

	FY	FY	FY
	88-89	89-90	
1. Non-Recurring Costs/Revenues			
2. Recurring Costs/Revenues			
3. Fiscal/Revenue Assumptions			

Sources of Data for Fiscal Note

Teachers and State Employees Retirement System
Local Government Retirement System
Fire and Rescue Squad Pension Fund

Technical Considerations/Comments

The estimates provided in the attached table indicate an estimated continuing cost after 10 years of approximately \$35,000 per year for the UNC system, assuming no tuition increases, from section 1(b). Section 1(c) would provide similar benefits to all dependents enrolled in any accredited institution above high school at the time of death or permanent disability. Some of these costs would be to UNC and the Community College system, but it would also call for a direct payment of grants to schools not funded by the State. However, the bill does not provide a source of funds for these payments. This section

would include dependents attending school out of state as well as those enrolled in private colleges who are not currently eligible for the Legislative Tuition Grant Program or the State Contractual Scholarship Program. These costs are estimated at \$3,500 per year.

(Table Attached)

<font=18>

<font=9>

22-Mar-1989
 Estimated Costs SB 333
 Prepared by Fiscal Researchf

	1989-90	90-91	91-92	92-93	93-94	94-95	95-96	96-97	97-98	98-99
Backlog a/o 88-89										
Enter 89-90	3,844.80	3,844.80	3,844.80	3,844.80						
Enter 90-91		3,844.80	3,844.80	3,844.80	3,844.80					
Enter 91-92			3,844.80	3,844.80	3,844.80					
Enter 92-93				3,844.80	3,844.80	3,844.80	3,844.80			
Enter 93-94					3,844.80	3,844.80	3,844.80	3,844.80		
Enter 94-95						3,844.80	3,844.80	3,844.80		
Enter 95-96						3,844.80	3,844.80	3,844.80		
Enter 96-97							3,844.80	3,844.80		
3,844.80								3,844.80		
Enter 97-98									3,844.80	
80										3,844.
80										3,844.
80										3,844.
80										3,844.
Enter 98-99										
Total Backlog	3,844.80	7,689.60	11,534.40	15,379.20	15,379.20	15,379.20	15,379.20	15,379.20		
	15,379.20	15,379.20	11,534.40							
New Entrants										
Enter 89-90	1,036.80	2,073.60	3,110.40	4,147.20	4,147.20	4,147.20	4,147.20	4,147.20		
	4,147.20	4,147.20								
Enter 90-91		1,036.80	2,073.60	3,110.40	4,147.20	4,147.20	4,147.20	4,147.20		
		4,147.20	4,147.20	4,147.20						
Enter 91-92			1,036.80	2,073.60	3,110.40	4,147.20	4,147.20	4,147.20		
			4,147.20	4,147.20	4,147.20					
Enter 92-93				1,036.80	2,073.60	3,110.40	4,147.20	4,147.20		
				4,147.20	4,147.20	4,147.20				

Enter 93-94				1,036.80	2,073.60	3,110.40	4,147.20		
				4,147.20	4,147.20	4,147.20			
Enter 94-95					1,036.80	2,073.60	3,110.40		
					4,147.20	4,147.20	4,147.20		
Enter 95-96						1,036.80	2,073.60		
						3,110.40	3,110.40		
						4,147.20			
Enter 96-97								1,036.80	
								2,073.60	
								2,073.60	
								3,110.40	
Enter 97-98									1,036.
80									1,036.
80									2,073.
60									
Enter 98-99									
Ann.Total New	1,036.80	3,110.40	6,220.80	10,368.00	14,515.20	18,662.40	22,809.60	26,956.80	
	31,104.00	35,251.20	34,214.40						
Cost of Sec.1(c)	864.00	1,728.00	2,592.00	3,456.00	3,456.00	3,456.00	3,456.00	3,456.00	
		3,456.00	3,456.00	3,456.00					
Total Cost									
Estimate	5,745.60	12,528.00	20,347.20	29,203.20	33,350.40	37,497.60	41,644.80	45,792.00	
	49,939.20	54,086.40	49,204.80						



Signed Copy Located in the NCGA Principal Clerk's Offices