

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: House Bill 2703 (First Edition)

SHORT TITLE: Scholarships/Children of Fallen Heroes.

SPONSOR(S): Representatives Tillis and Thomas

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2008-09</u></b>	<b><u>FY 2009-10</u></b>	<b><u>FY 2010-11</u></b>	<b><u>FY 2011-12</u></b>	<b><u>FY 2012-13</u></b>
<b>REVENUES</b>					
<b>EXPENDITURES</b>					
<b>General Fund</b>	<b>\$100,000</b>				
<b>Scholarship Fund</b>		<b>See Assumptions and Methodology</b>			
<b>POSITIONS (cumulative):</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b> State Education Assistance Authority					
<b>EFFECTIVE DATE:</b> Effective July 1, 2008 for students enrolling on or after January 1, 2009.					

**BILL SUMMARY:**

The bill establishes the Scholarship Fund for Children of Fallen Heroes. Scholarships recipients must be NC residents, children of fire, rescue or law enforcement officers killed in line of duty and who attend NC public university or community college. The amount of scholarship may equal, but not exceed, the cost of attending a public college or university, and must be reduced by any other benefits, including tuition waivers if applicable. The bill requires the State Education Assistance Authority to report annually to the Joint Legislative Education Oversight Committee beginning December 1, 2009, on the Fund and scholarships awarded. \$100,000 is appropriated for FY 2008-09 from the General Fund to the Scholarship Fund for the Children of Fallen Heroes to fund scholarships.

Source: Bill Digest H.B. 2703 (05/27/2008)

## **BACKGROUND:**

Numerous federal, state, and non-profit agencies provide college financial assistance to dependents of fire, rescue and law enforcement officers killed in the line of duty. The following are brief summaries of these aid programs.

### **Federal**

- The Public Safety Officers' Educational Assistance (PSOEA) Program provides assistance for higher education for the spouses and children of federal, state, and local public safety officers who have been killed or permanently disabled in the line of duty. The maximum award is \$881 per month of class attendance for a full-time student that can be used for tuition and fees, room and board, books, supplies, and other education-related costs. These funds may be used for a period no greater than 45 months of full-time education. Eligibility for a dependent child ends at age 27.

### **North Carolina**

- The State provides tuition waivers for the University of North Carolina and Community Colleges for "any person who is the survivor of a law enforcement officer, firefighter, volunteer firefighter, or rescue squad worker killed as a direct result of a traumatic injury sustained in the line of duty".

### **State Associations**

- The North Carolina State Firemen's Association will pay for the education of dependent children of members killed in the line-of-duty. The Association will pay for all educational expenses of a state institution except tuition. (Students attending private colleges receive the amount of the highest priced state institution). There is no cap on the four year cost of attendance.
- The North Carolina Association of Rescue and Emergency Medical Services provides a scholarship to spouses and dependents of members who die in the line-of-duty. The scholarship is \$12,000 for a 4 year college or university, \$8,000 for a 2 year college and transferring to a 4 year college, and \$2,000 for a community college or trade/technical school.
- The North Carolina Bar Association Scholarship is for children of law enforcement officers killed or permanently disabled in the line of duty. The amount awarded will depend upon 1) the amount available for awards, 2) the number of applicants, and 3) the cost of the institutions. Scholarships must be renewed annually and are reviewed by the Young Lawyers Division Scholarship Committee. The recipient must be under age 27. Awards ranged from \$250 to \$4,000 last year. Approximately 17 to 20 awards are given each year.
- The North Carolina Fraternal Order of Police Foundation, Inc. assists the children and spouses of North Carolina law enforcement officers who have been killed or permanently disabled in the line of duty by awarding scholarships to attend post-secondary educational institutions, including vocational training.

The scholarships are awarded on a one year basis with the opportunity to renew. Only two scholarships were awarded in the 2005-06 academic year. No scholarship amounts were reported on the website and the Foundation did not respond to a staff inquiry.

### **National Associations**

The list of national associations providing scholarship assistance is as follows:

- The Robert D. May Scholarship Fund (FBI)
- The National Fallen Firefighters Foundation Sarbanes Scholarship Program
- The International Association of Fire Fighters
- The National Association of State Fire Marshals John Heinz Memorial Scholarship Fund
- The Vantagepoint Public Employee Memorial Scholarship Fund
- The MasterGuard Fallen Heroes Scholarship Fund (Firefighters)
- Motorola Foundation (Firefighters)
- The Concerns of Police Survivors (COPS) Scholarship Program

### **ASSUMPTIONS AND METHODOLOGY:**

The \$100,000 appropriated from the General Fund to the Scholarship Fund for Children of Fallen Heroes is a one-time start-up grant. The amount needed to sustain the fund in future years cannot be determined. While the state has data on the number of dependents of law enforcement officers, firemen, and rescue squad workers killed in the line of duty that are eligible for the \$50,000 state death benefit, no data exist on the unmet need these dependents have for college financial assistance. The dependents of these deceased public safety officers have been able to attend college by applying for assistance from the federal, state, and nonprofit sources listed in the Background section above.

In the case of firefighter dependents, the North Carolina State Firemen's Association pays all education costs for public institutions (excluding tuition that is waived). For dependents of other professions, the majority of college expenses are paid by the federal Public Safety Officers' Educational Assistance (PSOEA) Program and the state tuition waiver. The PSOEA program pays \$881 per month of class attendance for a full-time student. Assuming a nine month academic year, the student would receive \$7,929 in compensation each year. However, since the (PSOEA) Program reduces its awards by the amount of other governmental assistance that a student is eligible to receive, the state tuition waiver for these dependents (an average of \$2,393 in FY 2007-08) must be deducted from the annual benefit. After deducting the tuition waiver, the federal aid per student is \$5,536 per student. In academic year 2007-08, the average cost of attendance (tuition, fees, room, board, books, supplies, and other expenses) at a UNC system school was \$13,599. With tuition removed, the UNC cost of attendance is reduced to \$11,206. The modified PSOEA payments of \$5,536 will fund approximately 49.4% of average UNC costs after waiver of tuition. The federal aid and state tuition waiver together fund 58.3% of the UNC average cost of attendance.

The college costs remaining after federal payments have been met by nonprofit aid (outlined in the Background section) and by need-based aid for qualified students (Pell Grant, UNC need-based grants, Community College grants, Lottery Grant, etc). Of the nine current students receiving a UNC waiver of tuition as dependents of public safety officers killed in the line of duty, none received need-based aid in the FY 2007-08 academic year. There is no similar report on the financial aid status for the 8 Community College students receiving a tuition waiver.

In summary, there is no data that will aid in estimating the annual amount needed for the Scholarship Fund for Children of Fallen Heroes. To complicate matters, the Public Safety Officers' Educational Assistance (PSOEA) Program will reduce its awards by the amount of other governmental assistance that a student is eligible to receive.

**SOURCES OF DATA:** University of North Carolina, North Carolina Community College System, US Department of Justice - Office of Justice Programs, NC Department of Insurance – Office of State Fire Marshall

**TECHNICAL CONSIDERATIONS:** None

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**DATE:** June 11, 2008



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