

GENERAL ASSEMBLY OF NORTH CAROLINA



Session 2007

Legislative Fiscal Note

BILL NUMBER: Senate Bill 178 (First Edition)

SHORT TITLE: Tuition Discount for Fire Science Programs.

SPONSOR(S): Senator Rand

FISCAL IMPACT					
	Yes (X)	No ()	No Estimate Available ()		
	<u>FY 2007-08</u>	<u>FY 2008-09</u>	<u>FY 2009-10</u>	<u>FY 2010-11</u>	<u>FY 2011-12</u>
REVENUES					
Tuition Receipts					
UNC	(\$62,781)	(\$69,483)	(\$80,968)	(\$92,194)	(\$106,061)
Community Colleges	(\$25,646)	(\$28,694)	(\$31,968)	(\$36,221)	(\$40,704)
EXPENDITURES					
General Fund					
UNC	\$62,781	\$69,483	\$80,968	\$92,194	\$106,061
Community Colleges	\$25,646	\$28,694	\$31,968	\$36,221	\$40,704
POSITIONS (cumulative):					
PRINCIPAL DEPARTMENT(S) & PROGRAM(S) AFFECTED: University of North Carolina; State Education Assistance Authority; and North Carolina Community College System					
EFFECTIVE DATE: This act becomes effective July 1, 2007, and applies to the 2007-2008 academic year.					

BILL SUMMARY: This bill provides a 50% tuition discount for any North Carolina resident who enrolls full-time in a Fire Science degree program at any University of North Carolina institution or North Carolina community college. Students receiving the tuition discount must accept employment in NC in the field of fire science for a period of two years (UNC) or one year (community colleges). The bill states the legislative intent (1) that UNC constituent institutions and community colleges not incur a loss of revenue by providing the discount tuition rate and (2) that the difference between the tuition rate and the discount tuition rate be funded by monies from the General Fund.

ASSUMPTIONS AND METHODOLOGY:

University of North Carolina

Only Fayetteville State University and UNC-Charlotte have a “fire science baccalaureate degree program” that qualifies for the tuition discount proposed in this bill. Fayetteville State University has a Bachelor of Science in Fire Science and UNC-Charlotte offers a Bachelor of Science in Fire Safety Engineering Technology. No other state university has filed a notification of intent to plan a fire science major with the UNC Board of Governors.

The Fire Science major at Fayetteville State University (FSU) will begin in 2007 with 40 students enrolled in two summer courses. FSU’s Fire Science Director, Dr. Joseph Woodall, says the target audience of the new program is professional and volunteer firefighters seeking to complete their degree for the purpose of career advancement. The average Fire Science major is a part-time student taking 3 to 6 credit hours per semester. To accommodate the schedules of firefighters, the majority of the courses will be offered online. Dr. Woodall does not believe the tuition discount will entice the target audience for this major to enroll full-time. Therefore, the discount is not expected to have a fiscal impact on FSU tuition receipts.

The Fire Safety Engineering Technology major at UNC-Charlotte (UNCC) currently has 111 students enrolled as follows: 51 resident full-time students, 51 resident part-time students, 6 nonresident full-time students, and 3 nonresident part-time students. Dean Robert Johnson of the UNCC College of Engineering notes that many of the part-time students are either active duty firefighters or students working at least 30 hours a week who could not easily convert to full-time status to take advantage of the tuition discount. A tuition discount valued at \$1,231 in FY 07-08 would have to be combined with increased financial aid to replace lost income for a student working fewer hours to go to school full-time. Dean Johnson thinks the tuition discount might encourage additional full-time students to enroll in the major. Without the discount, Dean Johnson estimated this major would grow to 145 students by the 2011-12 academic year. The Dean said the program could add faculty to accommodate increased demand using enrollment growth funds appropriated annually by the General Assembly.

With no reasonable way to estimate the future enrollment growth due to this tuition discount, this fiscal note will project minimum revenue loss to UNCC from SB 178 based on enrollment projections for the next five years provided by UNCC. Since current enrollment is 46% full-time resident students, this percentage is used in projecting eligible students each year until FY 2011-12. The UNC Board of Governors has adopted a policy for the next four years that requires campus tuition and fees for resident students to not exceed 6.5% growth each year. The chart below begins with the actual tuition rate for UNCC in FY 07-08, and then assumes the maximum tuition growth of 6.5% in the next four years.

	Total Enrollment	Resident Full-Time	Tuition	50% Discount	Tuition loss
FY 07-08	111	51	\$2,461	\$1,231	\$62,781
FY 08-09	115	53	\$2,621	\$1,311	\$69,483
FY 09-10	125	58	\$2,791	\$1,396	\$80,968
FY 10-11	135	62	\$2,973	\$1,487	\$92,194
FY 11-12	145	67	\$3,166	\$1,583	\$106,061

SB 178 requires the revenue loss each year to be reimbursed by the State. An appropriation must be made to the UNC Board of Governors for \$62,781 in FY 07-08 and \$69,483 in FY 08-09 to cover the loss of tuition. In future years, the continuation budget will be adjusted to account for future enrollment growth in the program.

Community College System

In FY 2005-06, 3,472 students were enrolled in a fire protection technology program at one of the seventeen community colleges that offer this curriculum. The typical community college fire science student is a part-time student taking approximately three credit hours per year. Indeed the number of courses taken by the 3,472 fire science students enrolled in FY 2005-06 equated to 358 full-time equivalent (FTE) students. FTE enrollment in fire protection technology programs has increased an average of 8% each year for the previous five years. This fiscal note assumes that FTE enrollment will continue to grow at this same rate.

Data is not readily available on the actual number of fire science students that attend community college full-time. However, the NC Community College System estimates that resident, full-time students constitute approximately 10% of FTE fire science enrollment. This fiscal note assumes that the magnitude of the tuition discount will not induce a higher rate of students to attend full-time. Currently community college in-state tuition is \$39.50 per credit hour, or \$1,264 per year if a student attends full-time. Based on the average annual increase for the last five years, the chart below assumes that tuition will increase 4% per year.

	Total FTE Enrollment	Resident, Full-Time Students	In-State Tuition	50% Discount	Tuition loss
FY 07-08	386.5	39	\$1,315	\$658	\$25,646
FY 08-09	417.5	42	\$1,368	\$684	\$28,724
FY 09-10	450.8	45	\$1,423	\$711	\$32,006
FY 10-11	486.9	49	\$1,479	\$740	\$36,245
FY 11-12	525.9	53	\$1,539	\$769	\$40,773

As noted above, this bill requires the revenue loss each year to be reimbursed by the State. An appropriation must be made to the State Board of Community Colleges for \$25,646 in FY 07-08 and \$28,724 in FY 08-09 to cover the loss of tuition. In future years, the continuation budget will be adjusted to account for future enrollment growth in the program.

SOURCES OF DATA: UNC-Charlotte, Fayetteville State University, State Education Assistance Authority, UNC Board of Governors

TECHNICAL CONSIDERATIONS: Tuition discounts and waivers are normally handled by the individual campuses, not the State Education Assistance Authority (SEAA). To simplify the administration of this program, the General Assembly could consider appropriating funds directly to the UNC Board of Governors and State Board of Community Colleges to cover tuition losses incurred by this tuition discount.

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DATE: May 23, 2007



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