



HOUSE COMMITTEE ON APPROPRIATIONS

FISCAL NOTE

HOUSE BILL NO. 131

PRINTERS NO. 1861

PRIME SPONSOR: Barrar

COST / (SAVINGS)

FUND	FY 2014/15	FY 2015/16
General Fund	\$0	\$0

SUMMARY: House Bill 131, Printer's Number 1861, amends Act 287 of 1982 to provide in-state tuition rates at community colleges and state related/state-owned institutions for veterans, their spouses and dependent children.

ANALYSIS: This bill amends Act 287 of 1982, which currently provides in-state tuition to active military, their dependents and civilian personnel stationed, assigned or transferred to Pennsylvania, with the following changes:

- The term "resident" or "residency" shall also include veterans, their spouses and dependent children who do not currently reside in Pennsylvania attending a state-related, state-owned institution of higher learning or community college;
- Veterans, their spouses and dependent children who are admitted to a state-related, state-owned institution of higher learning or community college are charged the respective in-state tuition or local sponsor rate on the first day of the semester or term;
- A community college, State-related or State-owned institution shall charge resident tuition rates to any active military personnel and their dependents taking online courses or receiving other education services online or other electronic means.
- It also defines "Public Institutions of Higher Learning" which includes career and technical centers and colleges "approved to offer a program culminating in an Associate in Specialized Business degree or an Associate in Specialized Technology degree.

Additional changes include new definitions for "local sponsor," "local sponsor rate" and "member of a local sponsor" as per the Public School Code (Act 14 of 1949). The definition of "veteran" is also amended to provide that in-state tuition benefits are applicable to those veterans who qualify for benefits under 10 U.S.C. CHS. 1606 (relating to educational assistance for members of the selected reserve) and 1607 (relating to educational assistance reserve component members supporting contingency operations and certain other operations) and 38 U.S.C. CHS. 30 (relating to all-volunteer force educational assistance program), 31 (relating to training and rehabilitation for veterans with service-connected disabilities) and 33 (relating to post-9/11 educational assistance).

This legislation would take effect July 1, 2015, or immediately upon enactment, whichever is later.

FISCAL IMPACT: Enactment of this bill will have no fiscal impact on Commonwealth funds. The legislation may impact tuition revenue to state-related universities, State System universities, and community colleges. Those institutions could receive less tuition revenue to the extent that individuals who would have attended without this incentive, will now pay less. However, by lowering the tuition charge for veterans, their spouses and dependent children who do not currently reside in Pennsylvania, it may attract additional tuition revenue from these individuals who would not have attended without this incentive.

For example, in 2014-15 annual out-of-state tuition rates at State System universities vary from \$10,230 to \$17,050 based on geographic location, academic program, or academic standing, while the in-state rate is \$6,820 annually for all students. Therefore, the State System would lose several thousand dollars in tuition for every veteran or veterans' family members who are attending or plan to attend a State System university without this incentive in place. However, as is demonstrated in the variation in out-of-state tuition rates, many State System universities already have lower out-of-state tuition rates to help attract students to universities near the state's borders that may have excess capacity, such as Mansfield and Edinboro universities. These universities might benefit by attracting additional students who may not have otherwise attended and who fill seats that may have gone unused.

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House Appropriations Committee (R)

DATE: June 25, 2015

Estimates are calculated using the best information available. Actual costs and revenue impact incurred may vary from estimates.