

Date of State Budget Office Approval:

Date Requested: Tuesday, February 4, 2020

Date Due: Friday, February 14, 2020

Impact on Expenditures

FY 2020	N/A
FY 2021	\$330,490
FY 2022	\$330,490

Impact on Revenues

FY 2020	N/A
FY 2021	N/A
FY 2022	N/A

**Explanation by State
Budget Office:**

This bill would provide tuition assistance to any person who is an active member in good standing in a reserve component of the armed forces of the United States (Army, Navy, Air Force, Marine Corps, and Coast Guard) and who is eligible to attend any Rhode Island state college or university. Basic tuition and general fees at the Community College of Rhode Island, Rhode Island College, or the University of Rhode Island would be waived for active reservists for up to five courses per semester.

Under current R.I. General Law (Section 30-3-40.3), members of the U.S. National Guard are eligible for full tuition waivers for up to five courses per semester at Rhode Island's Public Higher education institutions. This bill expands this benefit to all active reservists who are not currently members of the National Guard.

**Comments on
Sources of Funds:**

This bill would require general revenues to reimburse the tuition and fees incurred by active reservists attending the Community College of Rhode Island, Rhode Island College, or the University of Rhode Island not reimbursed by the U.S. Department of Veterans Affairs.

**Summary of Facts
and Assumptions:**

1. In accordance with the Council on Postsecondary Education's Residency Policy and federal law, any full-time active duty member is entitled to in-state tuition rates at all of Rhode's Island public higher education institutions, regardless of their state of residency. Active reservists and National Guard members with primary residency outside of the state are subject to out-of-state tuition rates. All 2019-2020 in-state basic tuition and general fees for CCRI, RIC, and URI are assumed to remain constant in out years and are used for this estimate.

2. Active reservists are entitled to federal education benefits under the Montgomery GI Bill (Chapter 30), also known as the "MGIB-Selected Reserve" program. Under MGIB-SR, the U.S. Department of Veterans Affairs provides tuition assistance for up to 36 months of full-time payments to eligible service members for approved education and training programs. Maximum reimbursement rates are determined by "training time" or enrollment status (full time, ¾ time, ½ time, less than ½ time) on a monthly basis. In addition, active reservists may participate in a "buy up" program, whereby active reservists may contribute up to \$600 to obtain an increased monthly rate of reimbursement. Along with MGIB-SR, active reservists qualify for additional federal tuition assistance of up to \$250 per credit hour with an annual maximum cap of \$4,500 (The Coast Guard Reserve and Navy Reserve, however, are subject to a lower annual maximum cap of \$2,250 and \$3,000, respectively). The estimate

Prepared by:

Gary Pascoa / 4012222327 / gary.pascoa@budget.ri.gov

Thursday, March 5, 2020

Page 1 of 4

assumes the \$4,500 maximum annual cap for full-time students and \$2,750 for part-time students.

In addition to MGIB-SR, the U.S Department of Veterans Affairs administers the GI Bill Kicker program, which provides increased monthly rates ranging from \$50 to \$350 for various categories of reserve component, enrollment status, and military occupational specialties. The estimate assumes GI Kicker monthly increases of \$350 and \$175 for full time and part time enrollment status, respectively.

The estimate does not factor in the "buy up" provision and assumes the base MGIB-SR rates, tuition assistance, and the GI kicker monthly rate increases and assumes the current monthly reimbursement rates set by the U.S. Department of Veterans Affairs as of October 1, 2019. Annualized, total federal reimbursement for undergraduate students for full time status is \$10,436 (MGIB-SR:\$3,136 + GI Kicker: \$2,800 + Tuition Assistance: \$4,500) and \$5,710 (MGIB-SR: \$1,560 + GI Kicker:\$1,400 + Tuition Assistance: \$2,750) for part time status. Graduate students enrolled full-time receive up to \$4,500 in annual federal assistance.

3. The estimate assumes the amount of active reservists and enrollment status will remain constant in out years. The effect of induced demand due to providing expanded educational benefits is indeterminate. The estimate also assumes active reservists will be one of the following statuses upon enrollment: Full-time undergraduate or part-time undergraduate. Given that the MGIB-SR and GI Bill Kicker program provides only up to 36 months of reimbursement, no assistance is provided for graduate programs as the 36 months is assumed to be utilized for undergraduate degree assistance. Federal tuition assistance (\$250 per credit hour-\$4,500 annual maximum cap) is still available for active reservists who pursue graduate degrees.

4. The bill allows basic tuition and general fees to be waived for up to five (5) courses per semester. Therefore, the estimate assumes that active reservists who are full-time undergraduate students will enroll in five courses per semester (4 credits per course x 5 courses = 20 credits) and will incur 2019-2020 tuition and general fees as established by the Council on Postsecondary Education. For graduate students, standard full-time tuition and fees are assumed for the estimate. Total annual in-state tuition and general fees for undergraduate and graduate degrees are as follows:

Community College of RI:

Associates

Full-time (20 credits): \$5,290

Part-time (>12 credits): \$4,614

Rhode Island College

Undergraduate

Full-time (20 credits): \$10,870

Part-time (>12 credits): \$7,376

Graduate

Full-Time (20 credits): \$14,450

University of Rhode Island:
Undergraduate
Full-time (20 credits): \$15,616
Part-time (>12 credits): \$11,550
Graduate
Full-Time (20 credits): \$18,644

5. According to 2011-2012 National Center for Education statistics, active reservists represent 0.3% of the total undergraduate population and 0.5% of the total graduate student population. Applying these percentages to Rhode Island's public higher institutions 2019 actual total enrollments results in estimated active reservist enrollment amounts by each school and degree status as follows:

Community College of Rhode Island:
14,013 total enrollment x 0.3% = 42 students

Rhode Island College:
6,688 total undergraduate enrollment x 0.3% = 20 students
1,083 total graduate enrollment x 0.5% = 5 students
Total reserve Enrollment: 25 students

University of Rhode Island:
13,367 total undergraduate enrollment x 0.3% = 40 students
1,324 total graduate enrollment x 0.5% = 7 students
Total reserve Enrollment: 47 students

6. With respect to enrollment status, 2015 National Clearinghouse Center enrollment records indicate that approximately 64% of all military undergraduate students are between full-time or $\frac{3}{4}$ status, while 36% are part-time or less. The estimate assumes these percentages for the undergraduate population and assumes full time status for graduates, with the following breakdown by school:

Community College of Rhode Island:
42 students (27 full-time / 15 part-time)

Rhode Island College:
20 undergraduate students (14 full-time / 6 part-time)
5 graduate students (full-time)

University of Rhode Island:
40 undergraduate students (26 full-time / 14 part-time)
7 graduate students (full-time)

7. Assuming MGIB-SR monthly reimbursements, tuition assistance, and GI Bill Kicker monthly increases, eligible CCRI students will be fully covered without state reimbursement, while active reservists attending Rhode Island College and the University of Rhode Island for undergraduate degrees incur estimated annual out-of-pocket costs of:

Rhode Island College:

Full-Time: \$10,870 tuition and Fees - \$10,436 federal reimbursement = \$434

Part-Time: \$7,376 - \$5,710 federal reimbursement = \$1,666

University of Rhode Island

Full-Time: \$15,616 tuition and fees - \$10,436 = \$5,180

Part-Time: \$11,550 tuition and fees - \$5,710 = \$5,840

As a full-time graduate degree student, active reservists incur annual out-of-pocket costs of:

Rhode Island College

\$8,676 tuition and fees - \$4,500 federal reimbursement = \$4,176

University of Rhode Island

\$15,514 tuition and fees - \$4,500 federal reimbursement = \$11,014

8. Accordingly, estimated annual out-of-pocket costs to be waived (reimbursed) are as follows:

Rhode Island College:

Undergraduate: $\$434 \times 14$ full-time students = \$6,076 / $\$1,666 \times 6$ part-time students = \$9,996

Graduate: $\$4,176 \times 5$ graduate students = \$20,880

Total RIC: $\$6,076 + \$9,996 + \$20,880 = \$36,952$ annually

University of Rhode Island:

Undergraduate: $\$5,180 \times 26$ full-time students = \$134,680 / $\$5,840 \times 14$ part-time students = \$81,760

Graduate: $\$11,014 \times 7$ graduate students = \$77,098

Total URI: $\$134,680 + \$81,760 + \$77,098 = \$293,538$ annually

Total Annual Estimate: $\$36,952 + \$293,538 = \$330,490$ annually

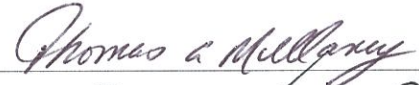
Summary of Fiscal
Impact:

FY 2020: No fiscal impact reported due to timing of passage.

FY 2021: \$330,490 from general revenues

FY 2022: \$330,490 from general revenues

Budget Office Signature:



Fiscal Advisor Signature:

