

**NORTH CAROLINA GENERAL ASSEMBLY**

**LEGISLATIVE FISCAL NOTE**

**BILL NUMBER:** H1647 First Edition

**SHORT TITLE:** Scholarships for Children of War Veterans

**SPONSOR(S):** Representatives Smith and Sutton

<b>FISCAL IMPACT</b>					
	<b>Yes (X)</b>	<b>No ( )</b>	<b>No Estimate Available ( )</b>		
	<b><u>FY 2002-03</u></b>	<b><u>FY 2003-04</u></b>	<b><u>FY 2004-05</u></b>	<b><u>FY 2005-06</u></b>	<b><u>FY 2006-07</u></b>
<b>REVENUES</b>					
<b>EXPENDITURES</b>	(\$90,000)	(\$90,000)	(\$90,000)	(\$90,000)	(\$90,000)
<b>POSITIONS:</b>					
<b>PRINCIPAL DEPARTMENT(S) &amp; PROGRAM(S) AFFECTED:</b>	Department of Administration – Veterans Affairs				
<b>EFFECTIVE DATE:</b>	When it becomes law.				

**BILL SUMMARY:**

This bill modifies the statutes relating to scholarships for children of war veterans by rewriting G.S. §§ 165-20, 165-21, and 165-22. It redefines “child” to require that the person be under 26 years of age at the time of application for a scholarship; requires that the person have completed high school or its equivalent before receipt of a scholarship; and deletes a provision that allowed limited waiver of the requirement that the veteran’s child was born in North Carolina. The bill rewords descriptions of the classes or categories of eligibility. It adds in Class II a child whose veteran parent was awarded a Purple Heart for wounds received as a result of an act of any opposing armed force, as a result of an international terrorist attack, or as a result of military operations while serving as part of a peacekeeping force. (This replaces the category relating to receipt of statutory award for arrested pulmonary tuberculosis.) In Class III, it adds a child who does not fall within the provisions of any other class and whose veteran parent served in a combat zone or adjacent waters, or any other campaign, expedition, or engagement for which the U.S. Dep’t of Defense authorized a campaign badge or medal.

**ASSUMPTIONS AND METHODOLOGY:**

The bill sets the age limit for applicants to 26 where currently there is no age limit. The Division of Veterans Affairs estimates that by setting the age limit to 26, they will reduce the number of awards by 20 per year, thereby reducing the amount of the required appropriation by \$90,000.

The bill amends the Class II category of scholarships to include more eligible applicants, by including the children of veterans who were awarded the Purple Heart, and removing those with a statutory award for pulmonary tuberculosis since that award is no longer made by the US Department of Veterans Affairs. It also amends the Class III category of scholarships to include the child of a veteran who served in a combat zone. Neither of these changes will increase the number of awards, but each will increase the number of eligible applicants. The number of awards will remain not more than 100 for each year for each category. Thus, there are no additional funding requirements.

The total estimated fiscal impact of this bill is expected to be a \$90,000 reduction to the required appropriations for the scholarship program. For fiscal year 2001-2002, the certified budget for the scholarship program was \$4.4 million.

**SOURCES OF DATA:** Division of Veterans Affairs

**TECHNICAL CONSIDERATIONS:**

**FISCAL RESEARCH DIVISION: (919) 733-4910**

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**APPROVED BY:** James D. Johnson

**DATE:** July 1, 2002



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