SEC. 532. IN-STATE TUITION RATES FOR SENIOR RESERVE OFFICERS' TRAINING CORPS CADETS AND MIDSHIPMEN.

(a) REQUIREMENT TO CHARGE IN-STATE TUITION RATES TO SENIOR RESERVE OFFICERS' TRAINING CORPS SCHOLARSHIP MEMBERS—Section 2102(b) of title 10, United States Code, is amended—

(1) by striking "and" at the end of paragraph (2);

(2) by striking the period at the end of paragraph (3) and inserting "; and", and

(3) by adding at the end the following new paragraph:

"(4) in the case of an institution that charges different rates of tuition based upon whether or not a student is a resident of the State in which the institution is located, the institution charges a member of the program who is a cadet or midshipman appointed under section 2107 of this title tuition at a rate that is no greater than the resident tuition rate offered by the institution.".

(b) EFFECTIVE DATE. —The amendments made by this section shall take effect on August 1, 2018.

Section-by-Section Analysis

This proposal would amend title 10, United States Code, section 2102(b), to prohibit the Department of Defense from establishing or maintaining an ROTC unit at any institution that does not charge resident (in-state) tuition rates for all Senior Reserve Officers' Training Corps (SROTC) eligible members as defined in section 2107 of title 10. Legislation requiring resident tuition rates for SROTC members would allow for better management of SROTC, allowing the military Services to meet officer accession needs with lower SROTC tuition costs. Approximately 66 percent of fiscal year 2014 Naval Reserve Officers' Training Corps scholarship midshipmen received scholarships at public institutions, 46 percent of whom received Non-Resident (out-of-state) tuition rates. By requiring SROTC members to be provided Resident tuition rates, significant savings would be achieved across all Service SROTC programs.

As some states will require state authorizing legislation to provide a public institution tuition waiver for non-resident SROTC scholarship recipients, this proposal recommends

delaying the date when these statutory changes go into effect. This will provide states sufficient time to enact the required authorizing legislation and allow them to maintain SROTC programs until the state legislation is enacted.

Budgetary Implications: SROTC programs shall continue to operate within fiscal controls. The Secretaries of the military departments may impose new internal guidance, regulating scholarship loading at public and private institutions to take advantage of available cost savings. The proposal assumes an approximately 6.0 percent tuition inflation rate, that implementation does not occur before fiscal year 2016, and that the new legislation would affect all ROTC year groups simultaneously, without the school requiring the Service to pay out-of-state tuition for ROTC year groups enrolled prior to enactment. Anticipated savings would not be realized until fiscal year 2017, since the National Defense Authorization Act for Fiscal Year 2016, would not be enacted until after commencement of Academic Year 2015-2016.

RESOURCE REQUIREMENTS ($M)									
	FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**	**Appropriation From**	**Budget Activity**	**Dash-1 Line Item**	**Program Element**
Air Force	---------	($2.1)	($2.2)	($2.4)	($2.5)	Operation and Maintenance, Air Force	03	31D	0804723F
Army						Army does not intend to use.			
Marine Corps						Marine Corps included in Navy--			
Navy	---------	($21.8)	($23.1)	($24.4)	($25.9)	Operation and Maintenance, Navy	03	3A3J	0804723N
Total	---------					--	--	--	--

NUMBER OF PERSONNEL AFFECTED **					
	FY 2016	**FY 2017**	**FY 2018**	**FY 2019**	**FY 2020**
Air Force	---------	545	545	545	545
Army					
Marine Corps	---------	270	270	270	270
Navy	---------	960	960	960	960
Total	---------				

** Number of personnel affected reflects the number of ROTC members that would shift from out-of-state tuition rates to in-state (resident) tuition rates.

Changes to Existing Law: This proposal would make the following changes to **s**ection 2102 of title 10, United States Code:

§ 2102. Establishment

(a) For the purpose of preparing selected students for commissioned service in the Army, Navy, Air Force, or Marine Corps, the Secretary of each military department, under regulations prescribed by the President, may establish and maintain a Senior Reserve Officers' Training Corps program, organized into one or more units, at any accredited civilian educational institution authorized to grant baccalaureate degrees, and at any school essentially military that does not confer baccalaureate degrees, upon the request of the authorities at that institution.

(b) No unit may be established or maintained at an institution unless—

(1) the senior commissioned officer of the armed force concerned who is assigned to the program at that institution is given the academic rank of professor;

(2) the institution fulfills the terms of its agreement with the Secretary of the military department concerned**; ~~and~~**

(3) the institution adopts, as a part of its curriculum, a four-year course of military instruction or a two-year course of advanced training of military instruction, or both, which the Secretary of the military department concerned prescribes and conducts**~~.~~; and**

(4) in the case of an institution that charges different rates of tuition based upon whether or not a student is a resident of the State in which the institution is located, the institution charges a member of the program who is a cadet or midshipman appointed under section 2107 of this title tuition at a rate that is no greater than the resident tuition rate offered by the institution.

(c) At those institutions where a unit of the program is established membership of students in the program shall be elective or compulsory as provided by State law or the authorities of the institution concerned.

(d) The President shall cause to be established and maintained in each State at least one unit of the program if—

(1) a unit is requested by an educational institution in the State;

(2) such request is approved by the Governor of the State in which the institution requesting the unit is located; and

(3) the Secretary of the military department concerned determines that there will be not less than 40 students enrolled in such unit and that the provisions of this section are otherwise satisfied.