

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Enrolled - Revised

House Bill 1288
Appropriations

(Delegates P. Young and M. Washington)

Education, Health, and Environmental Affairs

**Higher Education - Tuition Waivers for Foster Care Recipients and
Unaccompanied Homeless Youth**

This bill allows noncredit courses taken to earn a vocational certificate to qualify for the tuition waiver for foster care and unaccompanied homeless youth, by defining “vocational certificate” as a certificate awarded by a public institution of higher education on completion of a course of study that prepares an individual to work in a career field by taking credit-bearing or noncredit courses. The bill expands eligibility for the foster care recipient tuition waiver by adding a new category of individuals who may qualify and altering the existing definition. Although the bill retains the requirement for a foster care recipient or an unaccompanied homeless youth to file for federal and State financial aid in order to receive a tuition waiver, it repeals the deadline (March 1) for doing so.

The bill takes effect July 1, 2016.

Fiscal Summary

State Effect: Higher education tuition revenues at public four-year institutions of higher education decrease by approximately \$8,900 per full-time equivalent student (FTES), and by approximately \$3,000 per FTES at Baltimore City Community College (BCCC), for additional tuition waivers granted beginning in FY 2017, as discussed below. Expenditures are not affected.

Local Effect: Tuition revenues at community colleges decrease by approximately \$4,200 per FTES for additional tuition waivers granted beginning in FY 2017. Expenditures are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: The bill expands eligibility for the foster care recipient tuition waiver to include an individual who (1) was placed in an out-of-home placement by the Maryland Department of Human Resources (DHR); (2) resided in an out-of-home placement in the State for at least one year on or after the individual's thirteenth birthday; and (3) returned to live with the individual's parents after the out-of-home placement ended.

Existing eligibility criteria are modified, primarily to allow the out-of-home placement to qualify regardless of whether it was in Maryland or another state; even so, the foster care recipient must still have been placed in an out-of-home placement by DHR. Thus, an individual is also eligible if he or she resided in an out-of-home placement on either the individual's (1) thirteenth birthday and was subsequently placed into guardianship or adopted out of an out-of-home placement or (2) eighteenth birthday, rather than at the time the individual graduated from high school or successfully completed a general equivalency development examination (GED).

Current Law: Foster care recipients are eligible for a tuition and mandatory fee exemption to attend a public institution of higher education in Maryland if they resided in an out-of-home placement in Maryland when they graduated from high school or successfully completed a GED. Foster care recipients who resided in an out-of-home placement *on* their thirteenth birthday, and who were placed into guardianship or adopted from an out-of-home placement in Maryland *after* their thirteenth birthday, are likewise eligible for the exemption. Younger siblings are also eligible for the exemption if also adopted by the same family from the same guardianship or out-of-home placement.

Unaccompanied homeless youth are eligible for a tuition and mandatory fee exemption to attend a public institution of higher education in Maryland. Such an individual must (1) have had a consistent presence in the State for at least one year before enrollment in a public institution of higher education that is documented by school, employment, or other records; (2) not be in the physical custody of a parent or guardian; (3) be a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act; and (4) have been determined to be a homeless child by one of several specified individuals.

To qualify for an exemption, a foster care recipient or unaccompanied homeless youth must be enrolled in an institution as a candidate for a vocational, associate's, or bachelor's degree before reaching age 25 and must file annually for federal and State financial aid by March 1. If a foster care recipient or unaccompanied homeless youth receives a scholarship or grant, the individual may not be required to pay the difference between the scholarship or grant and tuition. The exemption continues until five years after initial enrollment as a

candidate for an associate's degree or a bachelor's degree or until the individual receives a bachelor's degree, whichever occurs first.

Background:

Foster Care

In fiscal 2015, approximately 13,500 children in Maryland were in foster care each month; however, about 60% of those children exited foster/kinship care through reunification within 12 months of entry. In addition, approximately 37% of foster children were adopted within 24 months of entry. According to DHR, from July 1, 2015, to March 16, 2016, four individuals between the ages of 13 and 16 resided in an out-of-home placement on or after their thirteenth birthday for at least one year and returned to live with their parents after the placement ended.

According to data collected by Foster Care to Success, nationwide, less than 10% of former foster youth attain a bachelor's degree. Research has shown that, with the proper support, a larger percentage of former foster youth can attain a bachelor's degree.

Homeless Youth

Chapters 544 and 545 of 2013 established the Task Force to Study Housing and Supportive Services for Unaccompanied Homeless Youth. The task force reported in November 2013 that it is unclear how many unaccompanied homeless youth reside in Maryland, in large part because these youth frequently go unidentified or unserved, but there is reason to believe that the population is significant and growing.

The National Center for Homeless Education reports that nationally the number of students identified as homeless and enrolled in school has increased by 15% over the last three school years. From school years 2011-2012 to 2013-2014, the number of homeless students grew from 1.1 million to 1.3 million nationwide. The largest growth was in preschool (age 3 through 5) and ninth grade students. In Maryland, the total number of homeless students grew from 14,468 in 2011-2012 to 16,239 in 2013-2014, the most recent available data.

Noncredit Courses

In addition to associate's degree programs, community colleges offer courses related to apprenticeship programs in such things as plumbing, heating, air conditioning, and electrical, as well as certificates in areas such as building maintenance, forklift operation,

casino table games dealing, and child care. The courses in these programs are generally noncredit bearing. These noncredit course programs are often called workforce development sequences or certificate programs. Additionally, community colleges offer certificate programs for job skills enhancement that consist of a few credit courses in areas such as accounting, bookkeeping, and project management.

Most certificate programs (both credit and noncredit) take less than a year to complete, and the majority are designed to be completed in less than two years. According to a 2012 report by the Center on Education and the Workforce (CEW) as reported by the U.S. Bureau of Labor Statistics, people who have a certificate as their highest level of education earned, on average, 20% more than those whose highest education level is a high school diploma. However, to reap that benefit, individuals must work in the same field as their certificate. The CEW report says that individuals working in the same field as their certificate earn 37% more than workers with a high school diploma and almost as much as workers with an associate's degree. Certificate holders who are not working in the same field as their certificate earn about the same amount as those whose highest level of schooling is a high school degree.

The financial reward of certificate programs also varies by program of study. Individuals who hold a certificate in computer information services and work in that field earned an average of \$70,400 based on the combined 2004 and 2008 Survey of Income and Program Participation data, while an individual with a certificate in food service and working in that field only earned an average of \$17,600.

Federal financial aid, like Pell grants, is not available to students who take noncredit courses except in limited circumstances. Most State scholarships are limited to programs that lead to a degree, although a few (including the senatorial and delegate scholarships) may be used to earn a certificate from a private career school. Without access to financial aid, even relatively inexpensive certificate programs can remain out of reach to low-income individuals.

According to the Maryland Higher Education Commission (MHEC), 9,018 students enrolled in noncredit courses classified by MHEC for "workforce development" in fiscal 2015. In addition, 182,897 students enrolled in credit courses classified by MHEC for "workforce development." MHEC further divides courses classified for "workforce development" as belonging to one of the following three categories: job preparatory; licensure or certification; or job skills enhancement.

State Revenues: Higher education tuition revenues decrease beginning in fiscal 2017 due to allowing specified noncredit courses to qualify for the foster care and unaccompanied homeless youth tuition waiver program. The exact impact cannot be reliably quantified

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because it is unknown how many noncredit courses that may lead to a vocational certificate will be taken by individuals eligible for the tuition waiver. It is also unknown how many additional former foster care recipients will become eligible and choose to use the waiver due to expanding eligibility for the existing waiver.

Higher education tuition revenues also decrease due to allowing another category of individuals to qualify for the waiver – children who were in an out-of-home placement on *or after* their thirteenth birthday for at least one year *and* then returned to live with their parents to be eligible for a tuition waiver. As stated above, according to DHR, from July 1, 2015, to March 16, 2016, four individuals between the ages of 13 and 16 met the bill's requirements to qualify for a waiver under this new category of eligibility. However, it is unknown how many of these individuals will choose to use the tuition waiver before reaching age 25 and how many other individuals may qualify for the waiver.

Using the proposed fall 2016 rates, the average annual tuition and fees for full-time resident undergraduates at public four-year institutions for fiscal 2017 is \$8,879. The actual amount of the revenue decrease per FTES may be less depending on the number of noncredit courses attempted per recipient and the distribution of institutions that waiver recipients choose to attend. According to MHEC data, 56 foster care recipients received a tuition waiver to attend public four-year institutions in fiscal 2014 at an average cost of \$7,939 per recipient and a total cost of \$444,562.

Tuition revenues may also decrease at BCCC, the only State-operated community college, by an estimated \$2,980 per FTES receiving a waiver based on fall 2015 rates. No former foster care recipients received a waiver in fiscal 2014, but two individuals received a waiver in fiscal 2011 at an average cost of \$581 per recipient.

Future year revenue losses are dependent on the number of additional recipients who are eligible for a waiver and choose to use it, the number of noncredit courses that may lead to a vocational certificate attempted per recipient, the distribution of institutions that waiver recipients choose to attend, and tuition rates.

Local Revenues: Tuition revenues at locally operated community colleges decrease beginning in fiscal 2017. The exact impact cannot be reliably quantified because it is unknown how many noncredit courses that may lead to a vocational certificate will be taken by individuals eligible for the tuition waiver. Tuition revenues decrease further due to allowing children who were in an out-of-home placement on *or after* their thirteenth birthday for at least one year *and* then returned to live with their parents to be eligible for a tuition waiver. As discussed above, from July 1, 2015, to March 16, 2016, four individuals between the ages of 13 and 16 met the bill's requirements under this new

category of eligibility. However, it is unknown how many of these individuals will choose to use the tuition waiver before reaching age 25 and how many other individuals may qualify for the waiver. It is also unknown how many additional former foster care recipients will become eligible and choose to use the waiver due to expanding eligibility for the existing waiver.

The average annual tuition and fees for full-time in-county students at the community colleges for fiscal 2016 is \$4,169. The actual amount of the revenue decrease per FTES may be less depending on the number of noncredit courses attempted per recipient and the distribution of institutions waiver recipients choose to attend. According to MHEC data, 61 foster care recipients received a tuition waiver to attend community colleges in fiscal 2014 at an average cost of \$1,897 per recipient and a total cost of approximately \$115,691.

Future year revenue losses are dependent on the number of additional recipients who are eligible for a waiver and choose to use it, the number of noncredit courses attempted that may lead to a vocational certificate per recipient, the distribution of institutions that waiver recipients choose to attend, and tuition rates.

Additional Comments: Certain changes made by the bill conform to those made by House Bill 400 of 2016 (enacted as Chapter 263). Specifically, both bills modify existing eligibility criteria to allow individuals placed in out-of-home care in another state to qualify for a tuition waiver, replace the requirement for the individual to have been in out-of-home care at graduation or when completing a GED with a requirement to have been in care on the individual's eighteenth birthday, and repeal the annual deadline for filing for financial aid.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources, Maryland Higher Education Commission, Baltimore City Community College, University System of Maryland, St. Mary's College of Maryland, Foster Care to Success, National Center for Homeless Education, U.S. Bureau of Labor Statistics, Department of Legislative Services

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