

Department of Legislative Services
 Maryland General Assembly
 2007 Session

FISCAL AND POLICY NOTE

House Bill 1309

(Delegate Jones, *et al.*)

Appropriations

Education, Health, and Environmental
 Affairs

Higher Education - Foster Care Recipients - Waiver of Tuition and Fees

This bill expands eligibility for a foster care tuition waiver to a foster care recipient in any out-of-home placement.

The bill takes effect July 1, 2007.

Fiscal Summary

State Effect: Higher education tuition revenues would decrease by an estimated \$43,400 in FY 2008 due to the expansion of the foster care tuition waiver program. Future year revenue reductions reflect inflation and a stable number of participating foster care recipients. Expenditures would not be affected.

(in dollars)	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
Higher Ed Rev.	(\$43,400)	(\$44,700)	(\$46,000)	(\$47,400)	(\$48,800)
Expenditure	\$0	\$0	\$0	\$0	\$0
Net Effect	(\$43,400)	(\$44,700)	(\$46,000)	(\$47,400)	(\$48,800)

Note:() = decrease; GF = general funds; FF = federal funds; SF = special funds; - = indeterminate effect

Local Effect: Tuition revenues at community colleges would decrease by an estimated \$6,480 in fiscal 2008 due to an expansion of foster care tuition waivers. Future year revenue decreases would reflect inflation in tuition rates.

Small Business Effect: None.

Analysis

Current Law: To qualify for a tuition waiver at a public institution of higher education, a foster care recipient must have been placed in a foster care home by the Department of Human Resources (DHR). In addition, an applicant must have either resided in a foster care home at the time of completing high school, or resided in a foster care home on the applicant's fourteenth birthday and been adopted out of a foster care home after the applicant's fourteenth birthday. Foster care recipients who have been placed in group homes, residential treatment centers, and other placements are not eligible for tuition waivers.

Background: Chapter 506 of 2000 established the tuition waiver program for children in foster care homes. The Maryland Higher Education Commission (MHEC) reports that 77 foster care recipients received tuition waivers in fiscal 2006. The tuition that was waived totaled \$258,369, or approximately \$3,355 per qualifying foster care recipient.

State Revenues: Higher education tuition revenues would decrease by an estimated \$43,360 in fiscal 2008 due to the provision of tuition waivers to an expanded group of foster care recipients. This estimate was calculated using the following information and assumptions.

- DHR reports that there have been approximately 2,800 foster care recipients eligible for the program over the last several years. DHR advises that this figure may include some students who are in high school and have not yet reached college age.
- MHEC reports that 77 foster care recipients actually received a tuition waiver in fiscal 2006. This represents 2.8% of the 2,800 eligible students reported by DHR.
- DHR further advises that the bill would add 500 eligible foster care recipients to the current eligibility figures. Assuming the 2.8% participation rate continues, approximately 14 additional students would receive tuition waivers.
- Assuming 3% annual growth in the average fiscal 2006 tuition waiver amount of \$3,355 per qualifying recipient, fiscal 2008 waivers would decrease tuition revenues statewide by approximately \$49,840.
- In fiscal 2006, 87% of the lost revenues were due to waivers at University System of Maryland constituent institutions, Morgan State University, St. Mary's College of Maryland, and the Baltimore City Community College. Assuming this trend

continues, foregone tuition revenues for State institutions would total approximately \$43,360.

Future year revenue reductions would reflect inflation.

Local Revenues: Under the assumptions described above, tuition revenues at locally-operated community colleges would decrease by an estimated \$6,480 in fiscal 2008. Future year revenue reductions would reflect inflation.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Human Resources, Maryland Higher Education Commission, Department of Legislative Services

Fiscal Note History: First Reader - March 21, 2007
ncs/rhh

Analysis by: Mark W. Collins

Direct Inquiries to:
(410) 946-5510
(301) 970-5510