

Department of Legislative Services
Maryland General Assembly
2008 Session

FISCAL AND POLICY NOTE

House Bill 1049

(Chair, Appropriations Committee)

(By Request – Departmental – Juvenile Services)

Appropriations

Juvenile Services - College Tuition Waiver for Committed Youth

This departmental bill exempts an individual who has been placed in an out-of-home placement by the Department of Juvenile Services from paying tuition and mandatory fees to attend a public institution of higher education in Maryland. To be eligible, the individual must have resided in the out-of-home placement at the time of high school completion or been living at the placement on the individual's fourteenth birthday and adopted out of the placement after turning age 14. The child must also be enrolled as a candidate for an associate's or bachelor's degree before reaching age 21 and must file annually for federal and State financial aid by March 1. The exemption continues until five years after initial enrollment or until the child receives a bachelor's degree.

Fiscal Summary

State Effect: Higher education tuition revenues at public four-year institutions of higher education could decrease by approximately \$7,000 per full-time equivalent (FTE) student qualifying for the tuition waiver beginning in FY 2009. Tuition revenues at the Baltimore City Community College could decrease by approximately \$2,750 per FTE student qualifying for the tuition waiver. Expenditures would not be affected.

Local Effect: Community college tuition revenues would decrease by approximately \$3,100 per FTE student qualifying for the tuition waiver beginning in FY 2009.

Small Business Effect: The Department of Juvenile Services has determined that this bill has minimal or no impact on small businesses (attached). Legislative Services concurs with this assessment.

Analysis

Current Law: The tuition exemption only applies to foster care children who have been placed by the Department of Human Resources (DHR) in a foster home or an out-of-home placement.

Background: Chapter 506 of 2000 established the tuition waiver program for children in foster care homes, and Chapter 644 of 2007 extended the program to foster care children in out-of-home placements. DJS advises that this bill is being proposed to support successful transition of children in DJS placements to enrollment in public colleges and universities. DJS also notes the strong correlation between higher education levels and lower rates of crime and delinquency.

DHR reports that there were nearly 10,000 total foster care children in the State as of December 2007. The Maryland Higher Education Commission reports that 77 foster care children received tuition waivers in fiscal 2006 and 128 received tuition waivers in fiscal 2007. The waivers reduced tuition revenues at community colleges and public four-year institutions by approximately \$260,000 in fiscal 2006 and \$312,500 in fiscal 2007.

Approximately 1,700 youth are committed to DJS residential programs annually. Legislative Services estimates that 1,500 youth are in out-of-home placements or youth camps covered by this bill.

State Revenues: DJS estimates that approximately 150 youths age 17 or older per year, about 10% of the eligible population, receive a high school diploma or pass the general educational development (GED) examinations while in DJS out-of-home placements. Since a youth would be eligible to initiate the tuition waiver until turning age 21, there may be 450 youths who would be eligible for the tuition waiver in its first year. It is not known how many of these students would pursue a college degree at one of the State institutions of higher education.

If all 450 students were to attend public four-year institutions full time in the 2008-2009 academic year, fiscal 2009 tuition revenues could decrease by \$1.6 million. This estimate reflects the bill's October 1, 2008 effective date and assumes that only the spring 2009 semester would be affected by the waiver. The estimate was calculated using an average annual tuition and fee cost for full-time resident undergraduates at public four-year institutions of \$7,000. Beginning in fiscal 2010, there would be the potential for two semesters of foregone tuition revenues and the potential for an additional 150 program participants.

The actual amount of the revenue decrease, however, would not approach the maximum amount because: • many potential participants will not attend college; • many participants will attend local community colleges, not State institutions; • many participants who do attend State institutions of higher education will attend school part-time rather than full-time; and • any tuition decrease will be offset by the State and federal financial aid that participants receive. In total, the additional revenue loss for four-year institutions would likely be similar to the revenue loss resulting from the existing foster care tuition waiver. In fiscal 2007, that program reduced tuition revenues at State institutions by approximately \$273,750.

Local Revenues: Assuming that the extension of the existing tuition waiver program would result in a doubling of foregone tuition revenues at local community colleges, tuition revenues at the colleges would decrease by approximately \$38,750 annually.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Juvenile Services, Department of Human Resources, Morgan State University, University System of Maryland, Maryland Higher Education Commission, Department of Legislative Services

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mcp/rhh

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