

Department of Legislative Services
Maryland General Assembly
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FISCAL AND POLICY NOTE
Revised

Senate Bill 455 (Senator Reilly, *et al.*)

Education, Health, and Environmental Affairs

Appropriations

Higher Education - Unaccompanied Homeless Youth - Tuition Exemption

This bill expands eligibility for tuition and mandatory fee waivers for public institutions of higher education in Maryland to specified unaccompanied homeless youth. To receive a waiver, an unaccompanied homeless youth must meet the same conditions as a foster care recipient must to receive a waiver under current law. When determining whether a youth is an unaccompanied homeless youth, a financial aid administrator must verify that the youth qualifies as an independent student under the federal College Cost Reduction and Access Act.

The bill takes effect July 1, 2014.

Fiscal Summary

State Effect: Higher education tuition revenues at public four-year institutions of higher education decrease by approximately \$8,500 per full-time equivalent student (FTES) qualifying for the tuition waiver beginning in FY 2015. Tuition revenues at Baltimore City Community College (BCCC) decrease by approximately \$3,100 per FTES qualifying for the tuition waiver beginning in FY 2015. Expenditures are not affected. Due to the potential number of unaccompanied homeless youth in the State, the overall impact may be significant. The public four-year institutions and BCCC can report on the number of homeless youth that receive the waiver using existing resources. The Maryland Higher Education Commission (MHEC) can report the information collected by the institutions using existing resources.

Local Effect: Tuition revenues at community colleges decrease by approximately \$3,800 per FTES qualifying for the tuition waiver beginning in FY 2015. Expenditures are not affected. Due to the potential number of unaccompanied homeless youth in the State, the overall impact may be significant. Local community colleges can report on the number of homeless youth that receive the waiver using existing resources. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: An “unaccompanied homeless youth” is defined as a child or youth who (1) is not in the physical custody of a parent or guardian and (2) is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act.

Each public institution of higher education in the State must report to MHEC regarding the number of unaccompanied homeless youth that receive a tuition waiver for the preceding three years by June 30, 2017. By September 1, 2017, MHEC must report to specified committees of the General Assembly regarding the information collected by the institutions.

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 when they graduated from high school or successfully completed a general equivalency development examination.

Foster care recipients placed into guardianship or adopted from an out-of-home placement after their thirteenth birthday are also eligible for the exemption. Younger siblings are also eligible for the exemption if the sibling is also placed into guardianship or adopted at the same time by the same family from an out-of-home placement.

A foster care recipient must be enrolled as a candidate for a vocational certificate, an associate’s degree, or a bachelor’s degree before reaching age 25 and must file annually for federal and State financial aid by March 1. Chapters 259 and 260 of 2013 established that, if a waiver-eligible foster care recipient receives a scholarship or grant, the scholarship or grant may not be applied to tuition or mandatory fees. 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 recipient receives a bachelor’s degree, whichever occurs first.

In State law, an “unaccompanied homeless youth” is defined as a youth who is considered homeless as defined by the federal McKinney-Vento Homeless Assistance Act, who is not in the physical custody of a parent or guardian. The McKinney-Vento Act generally defines a homeless person as an individual who lacks a fixed, regular, and adequate nighttime residence.

Under the federal College Cost Reduction and Access Act, an individual qualifies as an independent student if the individual has been verified during the school year in which

the application is submitted as an unaccompanied youth who is a homeless child or youth (as defined by the McKinney-Vento Homeless Assistance Act). An individual also qualifies as an independent student if the individual is a youth who is *at risk* of homelessness and is self supporting – and is verified as such by (1) a local educational agency homeless liaison, as defined by the McKinney-Vento Homeless Assistance Act; (2) a director of a program funded under the Runaway and Homeless Youth Act; (3) a director of a program funded under Title IV, Subtitle B of the McKinney-Vento Homeless Assistance Act; or (4) a financial aid administrator of the institution of higher education where the youth is applying or enrolled.

Background: 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.

According to the task force report, in 2011, the Johns Hopkins Center for Adolescent Health identified 640 unaccompanied homeless youth in Baltimore City (203 of whom were age 14 to 18), a 33% increase from the 426 identified in 2009. Similarly, Prince George’s County identified 185 unaccompanied homeless youth in 2012, 28% of whom were younger than age 18. Unaccompanied youth homelessness is not only a local problem, however. School systems across the State identified more than 14,691 homeless students in their schools during the 2011-2012 school year, up from approximately 13,000 only two years earlier, and virtually all reported that a portion of these homeless students were unaccompanied. Nationally, it is estimated that 8% of youth between ages 13 and 21, approximately 1.6 million to 1.7 million youth across the nation, experience homelessness over the course of a given year.

The federal McKinney-Vento program is designed to address the problems that homeless children and youth have faced in enrolling, attending, and succeeding in preschool through high school. Under the program, state educational agencies must ensure that each homeless child and youth has equal access to the same free, appropriate public education, including a public preschool education, as other children and youth. The program was originally authorized by the McKinney-Vento Homeless Assistance Act (McKinney-Vento Act) in 1987 and, most recently, reauthorized by the No Child Left Behind Act of 2001.

State Revenues: Higher education tuition revenues decrease beginning in fiscal 2015 due to the expansion of the tuition waiver program to include unaccompanied homeless youth. The exact impact cannot be reliably quantified because it is unknown how many unaccompanied youth exist or how many will choose to use the waiver. Due to the ability of four-year institutions to adjust their student enrollment mix, the Department of

Legislative Services generally assumes that tuition waivers have a minimal impact on their tuition revenues. However, due to the potential number of unaccompanied homeless youth in the State, the overall impact may be significant.

Using the proposed fall 2014 rates, the average annual tuition and mandatory fees for full-time resident undergraduates at public four-year institutions for fiscal 2015 is \$8,538. The actual amount of the revenue decrease per FTES may be less depending on the number of credits attempted per recipient and the distribution of institutions that waiver recipients choose to attend.

Tuition revenues may also decrease at BCCC, the only State-operated community college, by up to \$3,120 per FTES receiving a waiver.

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 credits attempted per student, and the distribution of institutions that waiver recipients choose to attend.

Local Revenues: Tuition revenues at locally operated community colleges decrease beginning in fiscal 2015. The exact impact cannot be reliably quantified because it is unknown how many unaccompanied youth exist or how many will choose to use the waiver. However, due to the potential number of unaccompanied homeless youth in the State, the overall impact may be significant. Unlike four-year institutions, community colleges are open enrollment and cannot control their enrollment mix.

The average annual tuition and fees for full-time in-county students at the community colleges for fiscal 2014 is \$3,845. The actual amount of the revenue decrease per FTES may be less depending on the number of credits attempted per student and the distribution of institutions waiver recipients choose to attend.

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 credits attempted per student, and the distribution of institutions that waiver recipients choose to attend.

Additional Information

Prior Introductions: None.

Cross File: HB 482 (Delegate M. Washington, *et al.*) – Appropriations.

Information Source(s): Task Force to Study Housing and Supportive Services for Unaccompanied Homeless Youth, Governor's Office for Children, Maryland Association of Community Colleges, Baltimore City Community College, Department of Human Resources, Maryland State Department of Education, Maryland Higher Education Commission, University System of Maryland, Morgan State University, St. Mary's College of Maryland, Department of Legislative Services

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