

Department of Legislative Services
Maryland General Assembly
2016 Session

FISCAL AND POLICY NOTE
Third Reader - Revised

House Bill 400
Ways and Means

(Delegate M. Washington)

Education, Health, and Environmental Affairs

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

This bill expands eligibility for the tuition waiver for foster care recipients, to include individuals who were in foster care out-of-state who meet the same qualifications as eligible individuals who were in foster care in the State; thus, such foster care recipients must still have been placed in an out-of-home placement by the Department of Human Resources. The bill further alters eligibility for the tuition waiver for foster care recipients, so that an individual is eligible if he or she resided in an out-of-home placement (including out-of-state) on the individual's eighteenth birthday, rather than at the time the individual graduated from high school or successfully completed a general equivalency development examination (GED). 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 also includes reporting requirements.

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. Required reports can be submitted using existing resources.

Local Effect: Tuition revenues at community colleges decrease by approximately \$4,200 per FTES for additional tuition waivers granted beginning in FY 2017. Required reports can be submitted with existing resources. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Bill Summary: By June 1 of each year, each public institution of higher education must report to the Maryland Higher Education Commission (MHEC) on the number of foster care recipients and unaccompanied homeless youth who received a tuition waiver, as specified. By September 1 of each year, MHEC must compile the reports and submit the compilation to the General Assembly.

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 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 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.

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.

State Revenues: Higher education tuition revenues decrease beginning in fiscal 2017 due to the expansion of the foster care tuition waiver program. The exact impact cannot be reliably quantified because it is unknown how many additional former foster care recipients will become eligible and choose to use the waiver due to expanding the eligibility requirements.

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 credits 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 credits attempted per student, 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 additional former foster care recipients will choose to use the waiver due to expanding the eligibility requirements.

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 credits attempted per student 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 credits attempted per student, 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 1288 of 2016 (enacted as Chapter 306). 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): Maryland Higher Education Commission, Baltimore City Community College, University System of Maryland, Foster Care to Success, Department of Legislative Services

Fiscal Note History: First Reader - February 25, 2016
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