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Maryland General Assembly
2017 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 462
Ways and Means

(Delegate P. Young, *et al.*)

Education, Health, and Environmental Affairs

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

This bill expands eligibility for the tuition waiver for foster care recipients to allow an individual to be eligible if he or she resided in an out-of-home placement at the time the individual graduated from high school or successfully completed a general equivalency development examination (GED), in addition to eligibility under current law if he or she resided in an out-of-home placement on the individual's eighteenth birthday. The bill also clarifies that "tuition" for which the waiver may be used includes all fees for *credit-bearing and noncredit courses* required as a condition of enrollment.

The bill takes effect July 1, 2017.

Fiscal Summary

State Effect: Higher education tuition revenues at public four-year institutions of higher education decrease, potentially significantly; revenues decrease by approximately \$9,300 per full-time equivalent student (FTES) and \$3,600 per FTES at Baltimore City Community College (BCCC) for additional tuition waivers granted beginning in FY 2018, as discussed below. Expenditures are not affected.

Local Effect: Tuition revenues at community colleges decrease, potentially significantly, by approximately \$4,300 per FTES for additional tuition waivers granted beginning in FY 2018. Expenditures are not affected. **This bill imposes a mandate on a unit of local government.**

Small Business Effect: None.

Analysis

Current Law: Specified foster care recipients who were placed in an out-of-home placement by the Department of Human Resources are eligible for a tuition exemption (including mandatory fees) to attend a public institution of higher education in Maryland. Foster care recipients who resided in an out-of-home placement on their eighteenth birthday are eligible for the waiver. Foster care recipients adopted from an out-of-home placement or placed into guardianship after their thirteenth birthday are likewise eligible for the exemption; younger siblings are also eligible for the exemption if they are adopted by the same family from the same guardianship or out-of-home placement. Finally, individuals who resided in an out-of-home placement in the State for at least one year on or after their thirteenth birthday and returned to live with their parents after the out-of-home placement ended are also eligible for the tuition waiver.

An unaccompanied homeless youth is eligible for a tuition and mandatory fee exemption to attend a public institution of higher education in Maryland if the individual (1) has 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) is not in the physical custody of a parent or guardian; (3) is a homeless child or youth, as defined by the McKinney-Vento Homeless Assistance Act; and (4) was 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 certificate or an 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 scholarship or grant may not be applied to the tuition of the foster care recipient or unaccompanied homeless youth. 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 2016, on average 3,785 children in Maryland were in foster care each month (with an additional 9,619 in subsidized guardianships or subsidized adoptions); however, about 38% of those children exited foster/kinship care to permanency within 12 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 postsecondary education.

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 2018 due to the expansion of the foster care tuition waiver program from eighteen-year-olds to whenever an individual graduates from high school or receives a GED. The exact impact cannot be reliably quantified but may be significant. It is unknown how many additional former foster care recipients become eligible and choose to use the waiver due to expanding the eligibility requirements.

Using the proposed fall 2017 rates, the average annual tuition and fees for full-time resident undergraduates at public four-year institutions for fiscal 2018 is \$9,417. 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 Maryland Higher Education Commission (MHEC) data, 61 foster care recipients received a tuition waiver to attend public four-year institutions in fiscal 2015 at an average cost of \$6,813 per recipient and a total cost of \$410,750. Likewise, according to MHEC data, 15 homeless youth received a tuition waiver to attend public four-year institutions in fiscal 2015 at an average cost of \$8,328 per recipient and a total cost of \$117,096.

Tuition revenues may also decrease at BCCC, the only State-operated community college, by an estimated \$3,638 per FTES receiving a waiver based on fall 2016 rates. No former foster care recipients received a waiver in fiscal 2014 or 2015, but two individuals received a waiver in fiscal 2011 at an average cost of \$581 per recipient. No homeless youth received a tuition waiver at BCCC in fiscal 2015.

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.

Clarifying that tuition includes all fees for credit-bearing and noncredit courses may include fees required for specific courses (*e.g.*, laboratory fees) that were not already being exempted; any additional revenue loss is minimal.

Local Revenues: Tuition revenues at locally operated community colleges decrease beginning in fiscal 2018. As discussed above, the impact may be significant but cannot be reliably quantified. The average annual tuition and fees for full-time in-county students at the community colleges for fiscal 2016 is \$4,260. 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, 182 foster care recipients received a tuition waiver to attend community colleges in fiscal 2015 at an average cost of \$2,385 per recipient and a total cost of approximately \$434,208. Likewise, according to MHEC data, 17 homeless youth received a tuition waiver to attend public four-year institutions in fiscal 2015 at an average cost of \$2,270 per recipient and a total cost of \$38,595.

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.

Specifically including required course fees in the waiver has a minimal impact on revenues.

Additional Information

Prior Introductions: None.

Cross File: SB 701 (Senator Zucker, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Maryland State Department of Education; Maryland Higher Education Commission; Baltimore City Community College; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Department of Human Resources; Department of Labor, Licensing, and Regulation; Department of Legislative Services

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