

Department of Legislative Services
Maryland General Assembly
2011 Session

FISCAL AND POLICY NOTE

House Bill 1208

(Delegate Wilson, *et al.*)

Appropriations

Education, Health, and Environmental Affairs

Higher Education - Exemption from Tuition for Foster Care Recipients -
Eligibility Age

This bill expands eligibility for tuition and mandatory fee waivers for public institutions of higher education in Maryland so that a foster care recipient must enroll at the institution before the recipient turns 25 years old, rather than 21, to receive a waiver.

The bill takes effect July 1, 2011.

Fiscal Summary

State Effect: Higher education tuition revenues at public four-year institutions of higher education decrease by approximately \$7,800 per full-time equivalent student (FTES) qualifying for the tuition waiver beginning in FY 2012. Tuition revenues at Baltimore City Community College (BCCC) decrease by approximately \$3,000 per FTES qualifying for the tuition waiver beginning in FY 2012.

Local Effect: Tuition revenues at community colleges decrease approximately \$3,500 per FTES qualifying for the tuition waiver beginning in FY 2012. Expenditures are not affected.

Small Business Effect: None.

Analysis

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 (GED) examination.

Foster care recipients 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 adopted by the same family out of an out-of-home placement. A foster care recipient must 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. If a foster care recipient receives a scholarship or grant, the recipient may not be required to pay the difference between the scholarship or grant and tuition. The exemption continues until five years after initial enrollment or until the recipient receives a bachelor's degree.

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 who were adopted from an out-of-home placement.

The Maryland Higher Education Commission (MHEC) reports that 81 foster care children received tuition waivers in fiscal 2009 and 94 received tuition waivers in fiscal 2010. The waivers reduced tuition revenues at community colleges and public four-year institutions by approximately \$271,000 in fiscal 2009 and \$223,000 in fiscal 2010.

State Revenues: Higher education tuition revenues decrease beginning in fiscal 2012 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 choose to use the waiver due to expanding the eligible age.

Using the proposed fall 2011 rates, the average annual tuition and fees for full-time resident undergraduates at public four-year institutions for fiscal 2012 is \$7,758. 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 waiver recipients choose to attend. MHEC reports 70 foster care recipients received a tuition waiver to attend public four-year colleges in fiscal 2010 at an average cost of \$2,746 per recipient and a total cost of \$192,250.

Tuition revenues also decrease at BCCC, the only State-operated community college, by up to \$3,030 per FTES receiving a waiver. These students received a waiver in fiscal 2010 at an average cost of \$1,352 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, and the distribution of institutions that waiver recipients choose to attend.

Local Revenues: Tuition revenues at locally operated community colleges decrease beginning in fiscal 2012. 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 eligible age.

The average annual tuition and fees for full-time in-county students at the community colleges for fiscal 2011 is \$3,473. 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. MHEC reports 22 foster care recipients received a tuition waiver to attend community colleges in fiscal 2010 at an average cost of \$1,281 per recipient and a total cost of approximately \$28,200.

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: None.

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

Fiscal Note History: First Reader - March 14, 2011
ncs/rhh

Analysis by: Caroline L. Boice

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