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## FISCAL IMPACT REPORT

**SPONSOR** Trujillo      **DATE TYPED** 3/01/05      **HB** 513/aHEC

**SHORT TITLE** Fee & Tuition Waiver for Certain CYFD Clients      **SB** \_\_\_\_\_

**ANALYST** Williams

### REVENUE

Estimated Revenue		Subsequent Years Impact	Recurring or Non-Rec	Fund Affected
FY05	FY06			
		Very large; see text	Recurring	Other State Funds – Tuition and Fee Revenue

(Parenthesis ( ) Indicate Revenue Decreases)

Relates to various student financial aid and lottery scholarship bills

### SOURCES OF INFORMATION

LFC Files  
 Commission on Higher Education (CHE)  
 Children, Youth and Families Department (CYFD)

### SUMMARY

#### Synopsis of HEC Amendment

The House Education Committee amendment clarifies eligible students are those in the legal or physical custody of CYFD. Further, the amendment reduces the period for tuition and fee waiver eligibility to four calendar years.

#### Synopsis of Original Bill

House Bill 513 authorizes a new section of statute which provides for tuition and fee waivers at all public, post-secondary institutions for eligible Children, Youth and Families Department (CYFD) clients. Eligibility is defined as:

- Meeting institutional academic admission criteria;
- A one-year eligibility window between high school graduation (or general equivalency degree receipt) and enrollment in college;
- College enrollment status as a full-time student;

## **House Bill 513/aHEC -- Page 2**

- Maintenance of a 2.5 grade point average; and
- Is currently or was in the custody of CYFD on the eighteenth birthday.

The tuition and fee waiver is authorized for five calendar years and would apply as students may transfer from one public, post-secondary institution to another within the state.

The bill also includes other technical, clean-up amendments to statute.

### Significant Issues

CYFD notes the bill provides an additional after-care support service and benefit for clients increasing the likelihood of successful transition to adulthood.

### **PERFORMANCE IMPLICATIONS**

CYFD notes the bill would positively impact the number of juvenile justice and child welfare clients entering post-secondary institutions, the single best predictor of non-recidivism.

### **FISCAL IMPLICATIONS**

The bill does not contain an appropriation.

The potential fiscal impact of the bill as written is indeterminant but potentially very large. The fiscal impact results from the language authorizing a tuition and fee waiver for anyone who is or was in the custody of CYFD at the time of reaching age 18. The cost of the waiver program would result in a reduction to other state funds, effectively reducing tuition and fee revenues of public, post-secondary institutions.

See alternatives for a mechanism to reduce the potential cost.

### **TECHNICAL ISSUES**

CHE notes the bill does not specifically address the cost of attendance during the first semester. The Lottery Tuition Scholarship program does not address tuition costs during the first semester of attendance, but most institutions provide “bridge” scholarships for tuition for the first semester until the 2.5 grade point average eligibility criteria is determined.

### **OTHER SUBSTANTIVE ISSUES**

Eligibility requirements specified in the bill are similar to the lottery tuition scholarship program in the following ways:

- Meeting institutional academic admission criteria;
- College enrollment status as a full-time student; and
- Maintenance of a 2.5 grade point average.

The proposed tuition and fee waiver program differs from the lottery tuition scholarship program as follows:

- Fees are included in the tuition waiver program

- A one-year eligibility window between high school graduation (or general equivalency degree receipt) and enrollment in college; and
- Is currently or was in the custody of CYFD on the eighteenth birthday.

### **ALTERNATIVES**

If the legislature's intent is to restrict the tuition waiver program to current and future CYFD clients, then an amendment would be needed, specifically, On page 5, lines 19 and 20: strike the words following the word "is," through line 20 the word "was,".

In this case, CYFD advises about half of their juvenile justice clients might turn eighteen in a given year, or roughly 200 children. Further, the *Protective Services Division Fact Book* notes about 5 percent of Child Protective Services clients are between 16 and 17 years old, while another 4 percent are 18 or older. Thus, one might offer a scenario under which about 7 percent of the roughly 2,100 clients in the child welfare program, or 147 children, might be eligible. The total would be approximately 347, but one might assume only half of these students would continue on to college, reflective of the state average. Thus, roughly 170 students per year might be eligible.

### **POSSIBLE QUESTIONS**

1. Is it the legislature's intent to authorize the tuition and fee waiver program to all individuals who might have turned eighteen in the custody of CYFD? Or is the intent to offer the program on a going-forward basis?

**AW/yr**