

Department of Planning and Budget 2019 Fiscal Impact Statement

1. Bill Number: HB2350

House of Origin	<input type="checkbox"/>	Introduced	<input type="checkbox"/>	Substitute	<input type="checkbox"/>	Engrossed
Second House	<input type="checkbox"/>	In Committee	<input type="checkbox"/>	Substitute	<input checked="" type="checkbox"/>	Enrolled

2. Patron: Miyares

3. Committee: Passed both houses

4. Title: Public institutions of higher education; tuition and fees; foster care youth.

5. Summary: Permits any public institution of higher education to provide a grant for the payment of tuition and certain fees for any Virginia student who (i) (a) has received a high school diploma or has passed a high school equivalency examination approved by the Board of Education and was in foster care or in the custody of the Department of Social Services or is considered a special needs adoption at the time such diploma or certificate was awarded or (b) was in foster care when he turned 18 and subsequently received a high school diploma or passed a high school equivalency examination approved by the Board of Education and (ii) meets certain other criteria. Retains requirement from current law that comprehensive community colleges provide such grants.

6. Budget Amendment Necessary: No.

7. Fiscal Impact Estimates: Final. See Item 8.

8. Fiscal Implications: The legislation does not require public institutions of higher education to provide grants, with the exception of comprehensive community colleges who are required to do so under current law. Therefore, the decision to provide grants would be made at individual institutions.

Federal calculations for need-based aid return an Expected Family Contribution at or near zero for students in foster care, meaning they are typically eligible for the maximum Pell Grant, and may be eligible for additional need-based aid. Assuming the maximum Pell Grant of \$6,095, and average yearly tuition and fees of \$13,370, public institutions of higher education providing grants to cover the remaining tuition and fees for eligible students would cost an average of \$7,275 annually per student at four-year institutions. As no state funding is provided, the institutions would be fully responsible for the costs.

It is not possible at this time to ascertain how many students would be eligible for grants if institutions did decide to provide them, because the population is not currently tracked by any agency. The Department of Social Services (DSS) estimates there are approximately 4,000 foster care children with educational records, and that 2 percent, or 80 students, are enrolled in higher education. Conversely, estimates from public Virginia institutions of higher education are as high as 200 students at individual baccalaureate-granting institutions,

and 1,500 students in the community college system. This discrepancy can be partly explained due to (i) DSS only keeping records up to age 20, thus excluding an unknown number of students, (ii) DSS basing its figures on applying a percentage that may or may not be accurate, and (iii) institutional records being based on how students respond to three questions on the FAFSA, which is not verified by any third party and thus may not be accurate. Furthermore, it is possible that providing guaranteed free tuition and fees for students fitting the parameters of the legislation would incentivize more to apply to public four-year institutions. It is unknowable how many more would apply, and how many would be admitted, however it can be assumed that a portion of the students currently in the community college system would take advantage of transfer agreements and thus be admitted to four-year institutions.

9. Specific Agency or Political Subdivisions Affected: Virginia baccalaureate public institutions of higher education, Richard Bland College.

10. Technical Amendment Necessary: No.

11. Other Comments: None.