

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3471 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Requires state institution of higher education, community college or Oregon Health and Science University to waive tuition and fees for current or former foster child under 25 years of age.

Government Unit(s) Affected:

Department of Community Colleges and Workforce Development, Oregon Health Sciences University, Oregon University System, Oregon Student Assistance Commission

Summary of Expenditure Impact: See Analysis

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

The measure requires that state institutions of higher education, community colleges, or Oregon Health and Science University waive tuition and fees for current or former foster children under 25 years of age. The amount of the tuition and fee waiver is applied after including any federal aid scholarships or grants (not including the Chafee Grant), Oregon Opportunity Grant, or any other institutional aid received by the student. The measure requires that each year the foster child submit a federal financial aid application and complete 30 hours of volunteer community service.

The measure requires that the Oregon Student Assistance Commission (OSAC) adopt rules to prioritize foster children for receiving the Oregon Opportunity Grants when the grant program does not have sufficient funding to serve all eligible Oregon students. The measure first applies to the 2012-13 academic year.

The fiscal impact is indeterminate. The number of foster children that may choose to attend post-secondary education and where they choose to attend is unknown. According to the Department of Human Services, there are currently 196 current or former foster children attending community college, 85 attending a 4-year university, and 11 attending another type of post-secondary institution.

With the tuition and fee waiver, the Oregon University System (OUS) assumes that there will be an increase of 244 foster youths enrolled in the 2012-13 academic year beyond what they would have served without the changes in this bill. OUS estimates that foster youths would receive enough federal, state, and institutional aid to cover the full cost of in-state tuition and fees in any given year. OUS anticipates approximately \$1,910,711 in Other Funds tuition revenue and fees from the influx of foster youth that would be paid through various forms of student aid. OUS states that current tuition and fees for resident undergraduates does not cover the full cost of the students education.

Based on OUS's estimated costs to educate of \$12,177 per student, total cost for serving the additional 244 foster youths enrolled would be approximately \$2,971,485 in 2012-13. OUS assumes that the difference between the tuition and fees paid and the costs to education would be approximately \$1,060,774. OUS indicates that General Fund should be used to cover this \$1,060,774 difference.

In order to implement prioritization for foster children to receive the Oregon Opportunity Grant, OSAC would allocate the anticipated workload to three existing positions for this process, including information systems and rules development, and the review of applications to determine eligible students.

There is a minimal fiscal impact to community colleges. The Department of Community Colleges and Workforce Development states that the amount of Pell grants and Oregon Opportunity Grants per year exceed the average community college yearly tuition costs.