

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 243**Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal OfficePrepared by: John Terpening
Reviewed by: Monica Brown, Paul Siebert
Date: 4-14-2011**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

Summary of Expenditure Impact: See Analysis**Summary of Revenue Impact:**

	2011-13 Biennium	2013-15 Biennium
Oregon University System – Other Funds	(\$594,889)	(\$1,240,921)
Community Colleges – Other Funds	(\$872,592)	(\$1,745,184)

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 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. Assuming no other financial aid awarded to the eligible students, and average yearly tuition of \$7,830, OUS estimates lost tuition revenue of \$594,889 Other Funds in 2012-13.

In addition to the lost tuition revenue noted above, 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.

The Department of Community Colleges and Workforce Development states that the statewide average community college tuition for 15 credits is \$1,113. Based on two years of four terms each, the estimated tuition per student is \$8,904 for a two-year degree. Assuming no increase in the number of foster youths that enrolled in community colleges, and no other financial aid awarded to the eligible students, the total lost tuition revenue to community colleges would be \$872,592 Other Funds in 2012-13.