

## FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2706 - 4

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

*Only Impacts on Original or Engrossed Versions are Considered Official*

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### Measure Description:

Modifies definition of "former foster child" for purposes of tuition and fee waiver program, Oregon Opportunity Grant program and foster child scholarship program.

### Government Unit(s) Affected:

Higher Education Coordinating Commission, Department of Human Services, Public Universities, Community Colleges, Oregon Health and Science University

### Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

### Analysis:

House Bill 2706, as amended by the -4 amendments, modifies the definition of "former foster child" for purposes of granting financial aid, including tuition and fee waivers, to students at institutions of higher education. Specifically, the measure expands the definition of "former foster child" to include individuals who were in foster care for a total of at least 18 months while under the age of 14. The measure expands tuition waivers for former foster children and homeless youth to include tuition at private career schools. However, tuition and fee waivers may be reduced by the amount of any federal aid scholarships or grants, awards from the Oregon Opportunity Grant program, or any other aid received from an institution of higher education. The measure also directs the Higher Education Coordinating Commission (HECC) to award scholarships to current and former foster children enrolled in private career schools. The substantive changes to tuition and fee waivers apply to tuition and fees assessed on or after the measure's effective date of January 1, 2024.

### Department of Human Services

The measure is anticipated to have a fiscal impact on the Department of Human Services' (DHS) Child Welfare program area and the Office of Information Services (OIS), which is a shared service between DHS and the Oregon Health Authority.

Expanding eligibility and thereby increasing the number of young people that can access post-secondary financial supports is anticipated to increase the workload of the Child Welfare, Youth Transitions program for eligibility verifications and processing wardship verification letters upon request. Youth Transitions would also continue uploading quarterly eligibility reports and spreadsheets into the portal for the Office of Student Access and Completion. Currently, this process supports 3,917 prospective/eligible students for the 2022-23 academic year. According to DHS, there are currently 1,528 youth in care under the age of 14 who have been in care for 18 months or more, and thus would be eligible for tuition and fee waivers under the new definition of "former foster child." This would increase the number of prospective/eligible students by approximately 39%. However, given Child Welfare does not process or facilitate these payments or applications, Child Welfare does not track how many students receive a tuition and fee waivers from institutions of higher education; thus, it is unclear how many of these newly eligible students would apply for tuition and fee waivers in the 2023-24 or 2024-25 academic years. Given that these children are currently under the age of 14, this fiscal impact statement assumes that very few (if any) would be applying for tuition and fee waivers to attend college in the 2023-25 biennium. Ultimately, it will depend on how many of this newly eligible population choose to avail themselves of these post-

secondary financial supports. Nevertheless, Child Welfare would be responsible for helping applicants regardless of whether their application is approved or not.

At minimum, Child Welfare estimates it will need to two permanent, full-time Administrative Specialist 1 positions (1.50 FTE) in the 2023-25 biennium to assist with the potential increase in workload to Youth Transitions. This would include answering adult supporter/youth questions, processing eligibility requests, generating wardship letters, and uploading eligibility reports in preparation for and throughout each academic term. It would also require the creation of educational and outreach material and training for staff, prospective/eligible students, community partners, and the public. The estimated fiscal impact to DHS' Child Welfare program to hire two AS1 positions is \$253,372 total funds in 2023-25, which includes \$202,698 General Fund and \$50,674 Federal Funds.

The measure would also have an impact on OIS with respect to the existing production report in OR-Kids. Values in the database search criteria would need to be updated to reflect new requirements regarding the child's age. The impact to OIS is anticipated to be minimal.

The measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact to the State's General Fund and DHS's biennial budget.

**Higher Education Coordinating Commission, Public Universities, Community Colleges, and Oregon Health and Science University**

By expanding the definition of "former foster child," the measure increases the number of young people who can access post-secondary financial supports, either in the form of tuition and fee waivers from institutions of higher education or scholarships from HECC. Colleges and universities waive outstanding tuition after financial aid and grant support has been provided to a student. Thus, the expanded definition of "former foster child" would reduce the tuition revenue that colleges and universities receive. Using information provided from DHS, 3,917 students currently receive tuition and fee waivers as current or former foster children or current or former homeless youth. HECC estimates that the measure would add an additional 360 eligible students who would be eligible to apply for tuition and fee waivers in the 2023-25 biennium. However, it should be noted that even if these prospective students are newly eligible for tuition and fee waivers, it is unclear how many of them will apply for them and be accepted. In addition, the bill allows tuition and fee waivers to be reduced by the amount of any federal aid scholarships or grants, awards from the Oregon Opportunity Grant program, or any other aid received from an institution of higher education. For these reasons, the fiscal impact to HECC and institutions of higher education is indeterminate dependent on the number of newly eligible students who would take advantage of this new opportunity as well as the final make up of their financial aid package.