

Fiscal Estimate Narratives
WTCS 10/9/01

LRB Number 01-2981/3	Introduction Number AB-502	Estimate Type Original
Subject Youth options program; limit school board payment to 6 credits		

Assumptions Used in Arriving at Fiscal Estimate

ASSUMPTIONS:

1. In 2000-01, approximately 2600 high school students enrolled in WTCS Youth Options courses.
2. In 1999-00, approximately 2000 high school students enrolled in WTCS Youth Options courses. Of these, approximately 15% (or 300 students) enrolled in more than 6 credits per semester. This is the most current data available on WTCS Youth Options credit enrollments.
3. Unlike the UWS or private colleges, state law does not allow WTCS colleges to deny Youth Option enrollments because of capacity constraints. As a result, in those cases when existing course sections cannot accommodate Youth Options students and additional sections must be assigned, Youth Options enrollments add to WTCS district costs.

There are three provisions in AB 502 that will affect WTCS districts:

(1) Limiting School Board tuition responsibility for Youth Options students to six credits: In the short-term, this provision will shift the burden of tuition costs for Youth Options credits above six per semester from school districts to students and their parents. In 1999-2000 (the most current year for which data is available), approximately 300 WTCS students would have been affected by this change. In the long term, this provision may reduce the attractiveness of the program and, therefore, reduce student participation. As fewer students participate, WTCS tuition revenues from Youth Options students will decrease. In addition, if decreased participation reduces those instances where Youth Options enrollments require WTCS districts to increase sections or assign additional resources, enactment of AB 502 could reduce WTCS district costs.

(2) Requiring students to reimburse tuition paid for courses the student does not complete: In the short-term, this provision will shift the risk of participating in the Youth Options program from school districts and the state to students and their parents. In the long term, this provision may reduce the attractiveness of the program and, therefore, reduce student participation. As fewer students participate, WTCS tuition revenues from Youth Options students will decrease. Again, if decreased participation reduces those instances where Youth Options enrollments require WTCS districts to increase sections or assign additional resources, enactment of AB 502 could reduce WTCS district costs.

(3) Expanding WHEG and Tuition grant eligibility to Youth Options students: The fiscal effect of this provision depends on how the grant eligibility expansion is funded. AB 502 does not provide new money to fund the expanded eligibility. Currently, separate appropriations fund WHEG grants for UWS and WTCS students and Tuition Grants for private college students. There is no set grant award amount. If additional funds are not provided to finance WHEG grants for Youth Options students, total grant funds will be stretched to cover more students. As a result, per student grant awards will decrease and financially-needy students will have to turn to other financial aid programs, including loan programs. As student dependence on loan programs increases, the cost of postsecondary education increases. In addition, there is a disincentive for postsecondary institutions to encourage Youth Options students to participate because such participation reduces the WHEG grant funding available to postsecondary students who may have greater financial need.

Long-Range Fiscal Implications

There are two long range fiscal implications to this proposal:

(1) The refund provision and the limitation on School Board tuition responsibility may reduce the attractiveness of the program and, therefore, reduce student participation. As fewer students participate, WTCS tuition revenues from Youth Options students will decrease. In addition, if decreased participation reduces those instances where Youth Options enrollments require WTCS districts to increase sections or assign additional resources, enactment of AB 502 could reduce WTCS district costs.

(2) If additional funds are not provided to finance WHEG grants for Youth Options students, total grant funds will be stretched to cover more students. As a result, per student grant awards will decrease and financially-needy students will have to turn to other financial aid programs, including loan programs. As student dependence on loan programs increases, the cost of postsecondary education increases.