

Fiscal Estimate - 2019 Session

Original
 Updated
 Corrected
 Supplemental

LRB Number 19-4694/1	Introduction Number AB-0659	
Description University of Wisconsin and technical college tuition remissions for and grants to support foster care and other out-of-home placement students and making an appropriation		
Fiscal Effect		
State: <input type="checkbox"/> No State Fiscal Effect <input type="checkbox"/> Indeterminate <input type="checkbox"/> Increase Existing Appropriations <input type="checkbox"/> Increase Existing Revenues <input type="checkbox"/> Increase Costs - May be possible to absorb within agency's budget <input type="checkbox"/> Decrease Existing Appropriations <input checked="" type="checkbox"/> Decrease Existing Revenues <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Create New Appropriations <input type="checkbox"/> Decrease Costs		
Local: <input checked="" type="checkbox"/> No Local Government Costs <input type="checkbox"/> Indeterminate 1. <input type="checkbox"/> Increase Costs 3. <input type="checkbox"/> Increase Revenue 5. Types of Local Government Units Affected <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Towns <input type="checkbox"/> Village <input type="checkbox"/> Cities 2. <input type="checkbox"/> Decrease Costs 4. <input type="checkbox"/> Decrease Revenue <input type="checkbox"/> Counties <input type="checkbox"/> Others <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> Permissive <input type="checkbox"/> Mandatory <input type="checkbox"/> School Districts <input type="checkbox"/> WTCS Districts		
Fund Sources Affected Affected Ch. 20 Appropriations <input type="checkbox"/> GPR <input type="checkbox"/> FED <input checked="" type="checkbox"/> PRO <input type="checkbox"/> PRS <input type="checkbox"/> SEG <input type="checkbox"/> SEGS		
Agency/Prepared By UWS/ Renee Stephenson (608) 263-4422	Authorized Signature Renee Stephenson (608) 263-4422	Date 12/26/2019

Fiscal Estimate Narratives

UWS 12/26/2019

LRB Number	19-4694/1	Introduction Number	AB-0659	Estimate Type	Original
Description University of Wisconsin and technical college tuition remissions for and grants to support foster care and other out-of-home placement students and making an appropriation					

Assumptions Used in Arriving at Fiscal Estimate

The bill would require the Board of Regents of the UW System and technical college system district boards to grant tuition remissions to students who were in foster care or other placements out of their parent's home.

Eligible students would receive a remission of 100 percent of tuition and fees, less any amount of need-based grants or scholarships awarded to the student. To be eligible, a student must be a state resident who resided in an out-of-home placement in this state under any of the following circumstances:

- a. On his or her 18th birthday;
- b. After his or her 13th birthday, he or she was adopted or appointed a non-agency guardian; or
- c. For at least one year on or after his or her 13th birthday and was returned to live in the home of his or her parent after the termination of the order.

A student would be required to complete a FAFSA and would be eligible for up to 12 semesters, until the student has earned a bachelor's degree, or turns 25, whichever occurs first.

The bill would also make an appropriation of \$410,000 to the Higher Educational Aids Board (HEAB) to reimburse the Board and technical college district boards for remissions granted under the bill. If the appropriation is not sufficient to make full reimbursement, HEAB would be required to prorate the reimbursements.

The bill would also require the Department of Children and Families (DCF) to distribute \$120,000 in grants to UW and WI Technical College System institutions for programs for former foster youth.

Long-Range Fiscal Implications

The UW System's analysis relies on data from the Legislative Fiscal Bureau.

Eligible Population

Data provided by DCF indicates that based on the 2016 year, an estimated 659 individuals might become eligible for tuition and fee remissions each year. Because students would be eligible for remission until they reach the age of 25, there would be seven cohorts of individuals who would be eligible for remissions. As a result, 4,613 individuals aged 18 to 24 could be eligible to receive remissions under this bill.

Estimated Rate of Enrollment

The Chapin Hall Center for Children at the University of Chicago has conducted a longitudinal study of individuals who had formerly been in foster care in Illinois, Iowa, and Wisconsin. All individuals were 17 years old for the first round of interviews and had been in foster care for at least one year. They were subsequently interviewed when they were 19, 21, 23 or 24, and 26. Based on these interviews, an average of 5.5% of respondents were enrolled in a four-year college.

Estimated Tuition and Fee Remission

It is estimated that UW institutions and Wisconsin technical colleges may remit \$820,000 annually in tuition and fees to students who were formerly in foster care under the proposal. This estimate assumes that 5.5% of eligible individuals will enroll in UW institutions and 11.8% will enroll in Wisconsin technical colleges in each year while they are between 18 to 24 years old. Therefore, UW institutions may remit \$260,694 annually. If we assume that

UW institutions will receive HEAB reimbursements in proportion to the number of students that enroll, then UW institutions will receive \$130,347 in reimbursements. This will leave \$130,347 in remissions that are not reimbursed.

The estimate assumes that 55% of enrolled students will enroll on a full-time basis and the remaining 45% will enroll part-time. The rates and patterns of enrollment used in these estimates are based on the data from the Chapin Hall study. The estimated amount of tuition and fees remitted is net of any need-based aid (Pell and Wisconsin Grant) received by the student.

The estimate likely underestimates the amount of need-based grants that would be received by students who would be eligible for remissions under the proposal. The estimate also does not account for aid that students may receive through other need-based grant or scholarship programs. If the students receive a greater amount of need-based grants and scholarships, tuition and fee remissions would be reduced.

In contrast, the estimate may understate the value of tuition and fees that would be remitted as the percentage of qualifying students who would enroll in UW institutions and technical colleges is based on data for individuals who were in foster care at age 17 and had been in foster care for more than a year. These individuals might be the less likely to enroll in higher education than individuals who have been placed in guardianships, adopted, or returned to their parents as those individuals may have more robust social supports and therefore be more likely to attend college. Based on the data provided by DCF, approximately 80% of individuals who would be eligible for remissions under the proposal would have been placed in guardianships, adopted, or returned to their parents while only 20% would have remained in foster care.

The estimate also does not account for any increase in enrollment that might occur if individuals were not required to pay tuition and fees if they enrolled in UW institutions and technical colleges.

Fiscal Estimate Worksheet - 2019 Session

Detailed Estimate of Annual Fiscal Effect

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Description University of Wisconsin and technical college tuition remissions for and grants to support foster care and other out-of-home placement students and making an appropriation			
I. One-time Costs or Revenue Impacts for State and/or Local Government (do not include in annualized fiscal effect):			
II. Annualized Costs:		Annualized Fiscal Impact on funds from:	
		Increased Costs	Decreased Costs
A. State Costs by Category			
	State Operations - Salaries and Fringes	\$	\$
	(FTE Position Changes)		
	State Operations - Other Costs		
	Local Assistance		
	Aids to Individuals or Organizations		
	TOTAL State Costs by Category	\$	\$
B. State Costs by Source of Funds			
	GPR		
	FED		
	PRO/PRS		
	SEG/SEG-S		
III. State Revenues - Complete this only when proposal will increase or decrease state revenues (e.g., tax increase, decrease in license fee, etc.)			
		Increased Rev	Decreased Rev
	GPR Taxes	\$	\$
	GPR Earned		
	FED		
	PRO/PRS		-130,347
	SEG/SEG-S		
	TOTAL State Revenues	\$	\$-130,347
NET ANNUALIZED FISCAL IMPACT			
		<u>State</u>	<u>Local</u>
NET CHANGE IN COSTS		\$	\$
NET CHANGE IN REVENUE		\$-130,347	\$
Agency/Prepared By		Authorized Signature	Date
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