

**State Fiscal Note for Bill
Number: 2020-H-7691**

Date of State Budget Office Approval:

Date Requested: Wednesday, March 4, 2020

Date Due: Saturday, March 14, 2020

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2020	\$0	FY 2020	\$0
FY 2021	\$0	FY 2021	\$0
FY 2022	\$165,039	FY 2022	\$0

*Explanation by State
Budget Office:*

This act would provide that a student in the care and custody of the Department of Children, Youth and Families may attend Rhode Island College without the payment of tuition if they meet admission criteria of Rhode Island College (RIC), beginning with the Fall 2021 semester. A student is eligible for the scholarship under this act if he or she 1) qualifies for in-state tuition and fees pursuant to the residency policy adopted by the Council on Postsecondary Education, provided the student graduated high school prior to turning 19 years old; 2) is admitted to and enrolls in RIC fulltime, immediately following graduation; 3) completes the FASFA and any required verification by the deadline prescribed by RIC for each year in which the student seeks to receive funding; and 4) has not already received an award under this scholarship program.

A scholarship program award would cover the cost of tuition and mandatory fees, less federal and all other financial aid monies available to the recipient student.

*Comments on
Sources of Funds:*

This bill would require general revenues to cover the tuition incurred by student in the care and custody of the Department of Children, Youth and Families at RIC.

*Summary of Facts
and Assumptions:*

1) This estimate uses the posted 2020-2021 RIC tuition and fees costs (totaling \$10,260) and assumes these costs will remain constant in out years. The Budget Office also assumes room and meal plan fees are not covered by this scholarship.

2) A scholarship program award would cover the cost of tuition and mandatory fees, less federal and all other financial aid monies available to the recipient student. The National Center for Education Statistics reports that 83.1% of enrolled students were awarded some level of aid at 4-year public institutions in 2016-2017 and the typical amount granted for Rhode Island College students in 2017-2018 was \$5,552. This estimate assumes 83.1% of recipients will receive this level of aid.

3) Charitable donations may also be accepted into the scholarship program. The Budget Office did not assume a deduction for charitable donations in absence of an accurate estimate.

4) In June 2020, there were 252 youth 18 and older under the care or custody of DCYF. According to the NCHEMS Information Center for Higher Education and Policymaking, 62.4% percent of Rhode Island high school graduates go directly to college. Research suggests this number is as low as 20% for youth under state custody. For the purposes of this estimate we assumed the average of these two figures for a modest estimate of 41.2%. Among the 41.2%, the Budget Office

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Summary of Fiscal
Impact:

assumes 25% would meet the additional qualifications (enroll as full-time students, apply for FASFA, elect to attend RIC, etc.), for a total of 26 students.

5) Assume first scholarships provided for the Fall 2021 semester in FY 2022.

The Budget Office estimates a total impact of \$165,039 per year for this scholarship program, based on 26 total eligible students. The per student average cost is \$6,348.

Calculations

Tuition = \$10,260.00

Total Eligible Students = $252 * .412 * .25 = 26$

Full Annual cost for 26 students = $26 * 10,260 = 266,760$

Average Aid = \$5,552

Aid for 83.1% of Students = $(10,260 - 5,552) * (26 * .831) = \$101,721$

TOTAL = $\$266,760 - \$101,721 = \$165,039$

Average per student = $\$165,039 / 26 = \$6,348$.

Budget Office Signature:

Fiscal Advisor Signature:

