

**Date of State Budget Office Approval:**

**Date Requested:** Wednesday, February 18, 2015

**Date Due:** Saturday, February 28, 2015

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2015	NA	FY 2015	NA
FY 2016	\$3,626,100	FY 2016	Indeterminate
FY 2017	\$7,541,200	FY 2017	Indeterminate

*Explanation by State Budget Office:*

This legislation provides that full-time students at the Community College of Rhode Island who meet certain eligibility criteria would be provided an "excellence grant" for tuition and fees for a period of two (2) years. The grants would be funded from the State general fund. To qualify for the grant, the applicant must be a Rhode Island resident; twenty years of age or less; a full-time student at CCRI or an applicant to CCRI; graduated in the top 15 percent of his/her high school class; a 95% attendance record or better over the preceding four year period, excluding documented medical absences; and an SAT or ACT test score at or above the state average for the preceding year in which the applicant has applied for the grant. The legislation further provides that grant awards may be suspended for any event which would subject the student to dismissal or suspension from school. Rules and regulations to implement the grant program would be adopted by the Board of Education.

*Comments on Sources of Funds:*

The legislation specifies that the funding for the two-year grant program would be appropriated from the State's general fund, which implies general revenue.

*Summary of Facts and Assumptions:*

Approximately, 11,340 seniors graduate from Rhode Island high schools each year, of which about 9,483 are from public schools and 1,857 are from private schools. The number of public school graduates (9,483) was provided by the Rhode Island Department of Education for academic year 2013 – 2014. Data on the number of private high school graduates is more difficult to obtain and not readily available, but according to the National Center for Education Statistics, 1,857 students graduated from Rhode Island high school students during the 2012 – 2013 academic year.

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If the top 15 percent of all Rhode Island high school graduates were to attend CCRI and all of the top 15 percent met other statutory criteria for the grant program (i.e., a 95 percent attendance record over the preceding four years, age 20 years or less, a full-time student at CCRI, and SAT or ACT scores at or above the state average the preceding year), then approximately 1,701 all Rhode Island high school graduates would qualify annually for the two-year grant program. More than likely, however, the number of students that would avail themselves to the grant program and attend CCRI for two years would be substantially less than the number eligible for the program.

According to CCRI, for the Fall 2014 semester 18 percent of all 2014 public school graduates attended CCRI. While the top 15 percent of high school graduates would be more likely attend CCRI if offered a two-year grant, those same students would also likely be eligible for scholarships and grants from more prestigious four-year

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colleges.

For purposes of this analysis, the Budget Office assumes that half of the approximately 1,701 students eligible for the two-year program would apply for and receive a two-year grant to CCRI, which equates to 850 students per year. It is also assumed that the two-year grant would fully cover tuition and fees, but not books, beginning with Fall 2015 semester. The effective date of the legislations is “upon passage”.

For the 2015 – 2016 academic year, tuition and fees at CCRI total \$4,266, including \$3,950 in tuition and \$316 in fees. For the 2016 – 2017 academic year, the Budget Office estimates that tuition and fees will likely be \$4,436, or about 4 percent higher than 2015 – 2016.

*Summary of Fiscal  
Impact:*

For FY 2016, the Budget Office estimates that the cost of the grant program would be approximately \$3,626,100 (850 multiplied by \$4,266). For FY 2017, the estimated cost of the program is \$7,541,200 (1,700 multiplied by \$4,436). While the grant program would likely have an impact on tuition revenues, because some of the tuition paying students would now receive free tuition from the grant program, the fiscal impact is indeterminate.

*Budget Office Signature:*

*Thomas C. Mellaney*

*Fiscal Advisor Signature:*

*[Handwritten Signature]*  
*w/ edits noted on p 1*