



State Fiscal Note for Bill Number: 2021-H-5424

Date of State Budget Office Approval: Thursday, March 25, 2021

Date Requested: Friday, February 26, 2021

Date Due: Monday, March 8, 2021

Impact on Expenditures

FY 2021	\$0
FY 2022	\$432,252
FY 2023	\$443,058

Impact on Revenues

FY 2021	\$0
FY 2022	\$0
FY 2023	\$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 (RIC) without the payment of tuition and room and board if they meet admission criteria of 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 or received an equivalency diploma prior to turning 19 years old; 2) is admitted to, enrolls in, and attends RIC fulltime immediately following graduation or receipt of an equivalency diploma; 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, room and board, 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 and fees incurred by students in the care and custody of the Department of Children, Youth and Families at RIC. Charitable donations may also be accepted into the scholarship program.

*Summary of Facts
and Assumptions:*

1) This estimate uses the requested 2021-2022 RIC tuition and fees costs (totaling \$10,702) and average room and board costs (totaling \$13,161). It assumes these costs will increase by 2.5 percent per year, based on the average of the FY 2019 and FY 2020 figures for the Higher Education Price Index calculated by the Commonfund Institute.

2) A scholarship program award would cover the cost of tuition, room and board, and mandatory fees, less federal and all other financial aid monies available to the recipient student. The National Center for Education Statistics reports that in 2018-2019 69 percent of full-time beginning undergraduate students were awarded some level of grant or scholarship aid at Rhode Island College, at an average amount of \$7,347. This estimate assumes 69 percent of recipients will receive this level of aid.

3) The Budget Office did not assume a deduction for charitable donations in absence of an accurate estimate.

4) In January 2021, there were 203 youth ages 17 or 18 under the care or custody of

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Summary of Fiscal Impact:

DCYF. (This figure does not include youth in adoptions or guardianships.) According to the NCHEMS Information Center for Higher Education Policymaking and Analysis, 69.8 percent of Rhode Island high school graduates went directly to college in 2018. Research suggests this number is as low as 20 percent for youth under state custody. This estimate assumes the average of these two figures for a modest estimate of 44.9 percent. Among the 44.9 percent, the Budget Office assumes 25 percent would meet the additional qualifications (enroll as full-time students, apply for FASFA, elect to attend RIC, etc.), for a total of 23 students.

The Budget Office estimates a total impact of \$432,252 per year (general revenue) for this scholarship program, based on 23 total eligible students. This equates to a per student average cost of \$18,794. The impact would increase to \$443,058 in FY 2023 based on an inflation assumption of 2.5 percent.

Calculations

Tuition and mandatory fees = \$10,702
Room and board costs = \$13,161
Total costs = \$23,863
Total eligible students = $203 * 0.449 * 0.25 = 23$
Yearly full cost = \$548,849
Average aid = \$7,347
Aid for 69 percent of students = $7,347 * 23 * 0.69 = \$116,597$
TOTAL = $\$548,849 - \$116,597 = \$432,252$
Average per student = $\$432,252 / 23 = \$18,794$
FY 2023 = $\$432,252 * 1.025 = \$443,058$

Budget Office Signature:

Fiscal Advisor Signature:


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