



State Fiscal Note for Bill Number: 2023-H-5635

Date of State Budget Office Approval: Thursday, June 1, 2023

Date Requested: Sunday, May 7, 2023

Date Due: Wednesday, May 17, 2023

<i>Impact on Expenditures</i>		<i>Impact on Revenues</i>	
FY 2023	N/A	FY 2023	N/A
FY 2024	\$60,000	FY 2024	N/A
FY 2025	\$60,000	FY 2025	N/A

**Explanation by State
Budget Office:**

This act would amend the higher education opportunity incentive grant program to improve educational attainment and related outcomes for current and former foster youth at the post-secondary level from fourteen (14) years of age to twenty-one (21) years of age and up to twenty-six (26) years of age under certain circumstances from funds appropriated by the general assembly. This is a change from prior language, which only allowed youth who were in the Department of Children, Youth, and Families' custody on their eighteenth (18th) birthday to be eligible for the Higher Education Incentive Grants. This act would allow youth who were in the department's custody for a "substantial" period between the ages of fourteen (14) years and twenty-one (21) years, or participated in the voluntary extension of care, pursuant to § 14-1-6, between the ages of eighteen (18) years and twenty-one (21) years. This also applies to youth who left foster care at age fourteen (14) years or older for kinship guardianship or adoption until they reach age twenty-six (26) years.

This act also stipulates that the department shall provide an annual report to the governor and the general assembly that accounts for the expenditures made pursuant to this chapter, including the amounts awarded to each student, each awardee's unmet need, the total number of applicants in relation to the total number of awards made by department, the total of grant funds awarded for the fiscal year and the number of students per grant year who made satisfactory progress towards completing their higher education as reported to DCYF by the community college of Rhode Island, Rhode Island college, and the university of Rhode Island. Unspent funds shall remain restricted and held in a separate account for the purpose of the grant. Funds shall not be sent back to the general fund. This act shall take effect upon passage.

**Comments on
Sources of Funds:**

This program would be funded by General Revenues.

**Summary of Facts
and Assumptions:**

The number of youths who turned 18 AND stayed in foster care for at least 1 day after age 14. Numbers are shown by the state fiscal year (SFY) that the youth turn 18.
FY19: 341 youth who turned 18 in FY19 and stayed in DCYF foster care for at least 1 day after age 14.
FY20: 371 youth who turned 18 in FY20 and stayed in DCYF foster care for at least 1 day after age 14.
FY21: 301 youth who turned 18 in FY21 and stayed in DCYF foster care for at least 1 day after age 14.

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FY22: 273 youth who turned 18 in FY22 and stayed in DCYF foster care for at least 1 day after age 14.

FY23 (not a full year, data as of 5/9/2023): There are 246 youth who turned 18 in FY23 and stayed in DCYF foster care for at least 1 day after age 14.

It is assumed that, under current law, approximately 45 percent of the populations above would be eligible for the Higher Education Incentive Grants, based on the following statistic from the 2022 KidsCount FactBook: "On December 31, 2021, of the 1,286 children in foster care placements in Rhode Island, 56% (715) were in kinship foster families." Therefore, it is assumed that the remaining 55 percent of the above populations would now be eligible for the grants, assuming they meet the need.

In the application year 2022-2023, 60 students applied for a Higher Education Incentive Grant. Of these, 44 were found eligible and 25 were ultimately awarded grants. Six students were awarded State grants and 24 were awarded Federal grants. The total State award amount was \$39,793 and the total Federal award amount was \$223,666.

It is assumed that under current law in the application year 2022-2023, 120 students were newly eligible for a Higher Education Incentive Grant (44 percent of 273 youth who turned 18 in FY22), of whom 44 applied and 25 were awarded grants. This is, respectively, 37 and 21 percent of the presumed newly eligible population. Of the 25 award recipients, 24 percent (6 students) were awarded State grants of an average amount of \$6,632 per student and 96 percent (24 students) were awarded Federal grants of an average of \$9,319 per student.

Based on an average of the last five years, it is assumed that 300 youth will be newly eligible for the Higher Education Incentive Grants in FY 2024. This note assumes that newly eligible students are the primary applicants for these grants and that applicant and awardee proportions remain relatively constant. Additionally, the proportion of students who receive State awards is presumed to remain relatively low, possibly due to the location of higher education pursued (i.e., CCRI, RIC, or URI) or amount covered by alternative sources. Therefore, of these 300, it is assumed that approximately 21 percent (63 students) will be ultimate awardees and that 24 percent of these (15 students) will receive award dollars from the State. It is assumed that the average of approximately \$6,630 will hold for the next few FYs, which leads to a total GR cost of \$99,483, or approximately \$60,000 more than has been spent in the current YTD. This remains within the existing Higher Education Incentive Grants statutory funding allocation of \$200,000. As such, it is assumed that additional costs due to this expansion can be absorbed into the existing statutory allocation of the program.

OMB does not have information to determine the impact of potential new cases due to the expansion of eligibility through age 26 at this time. OMB will continue to investigate and provide new data if and when available.

It is assumed that administrative costs associated with this program can be absorbed into the existing administrative budget of DCYF.



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*Summary of Fiscal
Impact:*

It is assumed that this act will take effect on July 1, 2023.

FY 2023: No fiscal impact reported due to timing of passage.

FY 2024: \$60,000

FY 2025: \$60,000

Budget Office Signature:

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Fiscal Advisor Signature:

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