



OFFICE OF MANAGEMENT & BUDGET

State Budget Office

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State Fiscal Note for Bill Number:

2025-H 5745

Date of State Budget Office Approval: Tuesday, April 8, 2025

Date Requested: Friday, April 4, 2025

Date Due: Monday, April 14, 2025

<i>Impact on Expenditures</i>	<i>Impact on Revenues</i>
FY 2025 \$0	FY 2025 N/A
FY 2026 \$536,961	FY 2026 N/A
FY 2027 \$549,848	FY 2027 N/A

Explanation by State Budget Office:

This bill amends R.I. Gen. Laws § 16-59-9.3, the Student Success Act, by reducing the statutory in-state residency requirement for in-state tuition eligibility at Rhode Island College (RIC), the Community College of Rhode Island (CCRI), and the University of Rhode Island (URI) from three years to six months.

Summary of Facts and Assumptions:

Under current law, non-immigrant foreign nationals or other non-US citizens pay in-state tuition rates at Rhode Island College, the Community College of Rhode Island, and the University of Rhode Island if they have attended high school for three or more years, continue to reside in the state, graduated from high school or received a high school equivalency diploma, and signed an affidavit stating that the student has applied for lawful immigration status.

This bill reduces the in-state residency requirement for in-state tuition eligibility at Rhode Island College (RIC), the Community College of Rhode Island (CCRI), and the University of Rhode Island (URI) from three years to six months.

Current statute mirrors the language of a portion of the Residency Policy adopted by the Council on Postsecondary Education. However, the policy also currently states that United States citizens and permanent residents of the United States who have resided in Rhode Island for at least one year are eligible for in-state tuition. Passage of this bill would reduce the residency requirement to six months for all students and would thus benefit students of all immigration statuses, including U.S. citizens.

The Budget Office requested that RIC, CCRI, URI, and the Office of the Postsecondary Commissioner (OPC) review available student data and estimate any fiscal impacts that would result from this bill.

CCRI. For Academic Year 24 - 25, 39 students applied to CCRI that had attended a Rhode Island high school for less than three years, and were therefore not eligible for in-state tuition or Rhode Island Promise. Out of state tuition costs \$777 per credit for out of state students compared to \$249 per credit for in-state tuition. According to CCRI, none of the 39 students that applied to CCRI chose to attend, and as a result there would be no fiscal impact.



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URI. URI reports that this change, based on historical data, could impact 12 – 17 students per academic year. Tuition rates for the 2024 – 2025 school year would result in a decrease in tuition and fee revenue of approximately \$350,000 for URI.

Rhode Island College. According to RIC, this bill would impact approximately 37 students, which could reduce tuition and fee revenues for RIC by \$186,961.

The Office of the Postsecondary Commissioner reported no direct impacts to the OPC budget.

While this fiscal note includes the potential impact of the bill based on recent student population, and assumes that the impacts as reported by CCRI, RIC, and URI would be similar in FY 2026 and FY 2027, it is possible that there would be additional fiscal impacts to institutional and state funds, as outlined below.

This bill may impact the decision making of high school students and other individuals interested in enrolling at RIC, CCRI, URI. For example, more students may apply to and enroll in these institutions if they are eligible for in-state tuition. While the institutions reported the estimated revenue loss based on current enrollment, it is also possible that more students would enroll in the institutions because they are eligible for in-state tuition. This change in the number of students that would be eligible for in-state tuition and would decide to apply and enroll in CCRI, RIC, and URI is unknown.

The Budget Office assumes that there may be a general revenue impact from this bill because Rhode Island Promise Scholarship at CCRI and the Hope Scholarship RIC.

The Rhode Island College Hope Scholarship is a program that provides last-dollar tuition and fee payments to in-state students at Rhode Island College (RIC) for their junior and senior years if they are in good standing and are on track to graduate or earn an approved certificate in a total of four years. Adult students who have earned at least 60 credits within a four-year period at RIC are also eligible to receive a scholarship over a duration of not more than two years.

The Rhode Island Promise Scholarship is a program that provides last dollar tuition and fee payments to eligible in-state students at CCRI for up to two years. RI Promise funding is available to eligible students regardless of family income.

The Budget Office assumes that this bill would increase the number of students that are Hope and Promise Scholarship eligible, and that there would therefore be some increase in the cost of these last dollar scholarship programs, which are funded from general revenues. The total number of students graduating from Rhode Island high schools in any given year that would become eligible for in-state tuition, eligible for RI Promise or Hope Scholarships, and would choose to enroll in those programs is unknown.

This bill is effective upon passage. As a result, Budget Office assumes that there would be no FY 2025 impact.



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Comments on Sources of Funds:

The RI Promise and Hope scholarships are funded with general revenue. Increases or decreases in tuition and fee revenues at CCRI, RIC, and URI would impact institutional funds.

Summary of Fiscal Impact:

FY 2025: No Impact


FY 2026:

CCRI Institutional Funds: No identified fiscal impact.
RIC: \$186,961 in institutional funds
URI: \$350,000 in institutional funds
Total: \$536,961 in institutional funds

FY 2027: The Budget Office inflates the FY 2026 estimate by estimated CPI of 2.4 percent.
CCRI Institutional Funds: No identified fiscal impact
RIC Institutional Funds: \$191,448
URI Institutional Funds: \$358,400
Total: \$549,848

As noted in the Summary of Facts and Assumptions, the fiscal impacts provided here are based only on the impacts of the bill on the recent historical population as provided by the institutions. It is possible that this bill would change the behavior of some individuals, which may increase or decrease net revenues to the institutions.

While the impact of this bill on the behavior of eligible students is unknown, the Budget Office assumes that this bill would result in some increase in general revenue expenditures because previously ineligible students would become eligible for the Promise and Hope scholarships.

Budget Office Signature:  Digitally signed by Joseph Codega Jr.
Date: 2025.04.09 09:41:51 -04'00'

Fiscal Advisor Signature: 