



DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St., S.W., Suite 1-156
Atlanta, Georgia 30334-8400

Greg S. Griffin
STATE AUDITOR
(404) 656-2174

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Honorable Sandra Scott
State Representative
611-D Coverdell Legislative Office Building
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
House Bill 16 (LC 39 2187S)

Dear Representative Scott:

The bill would require the University System of Georgia (USG) and the Technical College System of Georgia (TCSG) to classify certain students from foster care and homeless situations as in-state students for the purposes of tuition. Specifically, students from a foster home situation in Georgia for at least 12 consecutive months preceding the first day of enrollment (includes those adopted from Department of Family and Children Services [DFCS] after their fourteenth birthday) who graduated from a Georgia high school or received a general education development (GED) diploma awarded by TCSG would be eligible for in-state tuition. Additionally, students from a homeless situation who are under the age of 24 and who completed high school or received a GED would be eligible for in-state tuition. Furthermore, students from foster situations or homeless situations who graduated from an equivalent high school or received an equivalent GED in another state would also be eligible for in-state tuition.

The fiscal impact of this bill could not be determined due to the lack of necessary data. There is a lack of reliable data on the number of students from foster care or homeless situations currently enrolled in or interested in attending a USG or TCSG institution. In addition, we were unable to estimate the portion of potentially impacted populations that would be likely to attend a USG or TCSG institution.

Students from a Foster Home Situation

For students from a foster home situation, current USG and TCSG policy instructs each institution to review each applicant's situation on a case-by-case basis. In general, however, students currently committed to DFCS and placed in a foster home are considered as dependent students under the legal guardianship of the State of Georgia and should be granted in-state tuition if they

have been committed to DFCS for at least 12 consecutive months immediately preceding the first day of enrollment. Because USG's and TCSG's current policy already matches the intent of this bill for these students, no significant fiscal impact is anticipated regarding this population.

This bill would also allow adopted children who were in the permanent legal custody of DFCS and adopted following their fourteenth birthday to be eligible for in-state tuition. Because the bill would not require these students to have resided in Georgia for 12 consecutive months immediately preceding the first day of enrollment, it is possible that some adopted students would be newly eligible for in-state tuition. However, there is no reliable data available to identify the population affected by this bill; therefore, we are unable to calculate the related fiscal impact. We can provide limited information about the affected population.

- Ninety-four children were adopted out of foster care in Georgia after reaching age 14 during fiscal year 2018, and 121 children were adopted out of foster care in Georgia after reaching age 14 during fiscal year 2019. Again, it is not known how many of these children obtained a high school or GED diploma or the number that applied or were accepted to a USG or TCSG institution. Additionally, it is not known how many of these students had been living out of state and would not have qualified for in-state tuition under current USG and TCSG policy.

Students from a Homeless Situation

Current USG and TCSG guidance to institutions provides for the institutions to review homeless students' applications on a case-by-case basis to determine classification for tuition purposes. There is no reliable data available to identify the population affected by this bill; therefore, we are unable to calculate the related fiscal impact. We can provide limited information about the affected population.

- During the 2017-2018 school year, there were 2,294 homeless students in Grade 12 at Georgia public schools. It is not known how many of these homeless students obtained a high school or GED diploma or how many of these students had been living out of state and would not have qualified for in-state tuition under current USG and TCSG policy. Similarly, it is not known how many of these students would apply and be accepted to attend a USG or TCSG institution.

How Cost/Revenue Would Be Affected

The bill could impact the state through a required increase in state funding to USG and TCSG for any additional students that may enroll. For affected students already attending (or who would have attended without a change in law), the bill would reduce revenue to the two systems because the students would not pay the higher nonresident tuition rates.

Cost of New Students

The bill could increase the number of students pursuing higher education, thus increasing the need for state funding for USG and TCSG. For USG institutions in fiscal year 2019, the average state funding per full-time equivalent student was \$7,568. TCSG estimates that it spent \$160 in state

funds per credit hour taken during fiscal year 2019, which equates to approximately \$2,880 for a student taking 18 credit hours during the academic year.

Loss of Revenue from Out-of-State Tuition

Providing in-state tuition for students from foster care or homeless situations would also result in a loss of revenue to USG and TCSG. Students from foster care or homeless situations who would have otherwise paid out-of-state tuition would become eligible to pay the lower in-state tuition rate, resulting in a reduction in revenue generated from tuition. The amount of this loss would vary per student based on the type of institution attended. For example, a branch of TCSG would lose approximately \$1,602 per semester for each student enrolled while a research institution of USG would lose approximately \$9,598 (see **Exhibit 1**).

Exhibit 1: Potential Revenue Loss Per Student

Institution Type ²	FY 2019 Tuition Rate Per Semester ¹		Potential Loss Revenue
	Out-of-State	In-State	
Research Universities	\$14,215	\$4,617	\$9,598
Comprehensive Universities	\$9,449	\$2,677	\$6,772
State Universities	\$9,254	\$2,568	\$6,686
State Colleges	\$5,747	\$1,540	\$4,207
Technical College System ³	\$3,204	\$1,602	\$1,602

¹Tuition represents the highest tuition rate approved for an institution in the category.
²The tuition rate listed for each institution type is the average tuition of all the institutions in that category.
³Assumes 18 credit hours per semester.

Sincerely,



Greg S. Griffin
State Auditor



Kelly Farr, Director
Office of Planning and Budget