



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

February 15, 2021

Honorable Lindsey Tippins
Chairman, Senate Higher Education
121-F State Capitol
Atlanta, Georgia 30334

SUBJECT: Fiscal Note
Senate Bill (LC 49 0362)

Dear Chairman Tippins:

The bill would require the University System of Georgia (USG) and the Technical College System of Georgia (TCSG) to waive undergraduate tuition, fees, and mandatory room and board charges for certain students from foster care. Qualifying foster students include those whose family receives state-funded foster assistance, those in the independent living program (ILP), those who were adopted, and those currently committed to the Department of Human Services (DHS), Division of Family and Children Services (DFCS). These students must be under 28 years old, currently enrolled in a public postsecondary institution, or be admitted within three years of graduating from high school or attaining a general education development diploma (GED). The waivers apply only to costs of attendance not covered by available federal and nonfederal aid.

While this bill also repeals O.C.G.A. 20-3-660, which establishes a grant program to pay the undergraduate tuition, fees, and living expenses for the same groups of foster and adopted students under age 26, it appears that this grant program is not funded.

The fiscal impact of this bill could not be determined due to the lack of reliable information. USG and TCSG do not track the number of students from foster care currently enrolled in their institutions. In addition, DFCS tracking of foster and adopted children beyond the legal age of maturity (18) depends on the voluntary participation of the individual, leading to incomplete information about the population impacted by the bill.

How Revenue/Costs Would be Affected

The bill would reduce revenue to USG and TCSG by waiving attendance costs that are currently paid and extending waivers to a broader group of students from foster care than those currently

receiving financial assistance. There are existing programs through DFCS to cover the postsecondary education costs of participating foster youths and adults. From the perspective of the students, the waiver may represent a substitution of one cost-covering source for another. As a substitute, it is unclear if the bill's waiver would increase postsecondary enrollment among the target population. However, the waiver could be more accessible than current assistance programs in that it is not limited by available funds.

USG and TCSG Revenue Effects

DFCS is covering the cost of tuition, fees, and living expenses for some foster and adopted postsecondary students through its independent living program (ILP). The ILP covers postsecondary education costs using a combination of state and federal funding sources, including Chafee funds and education and training vouchers (ETV). The federal grants are matched at 20% by the state. The federal and state funds for the ILP are not strictly for covering higher education costs and may be used to deliver additional services. The ILP limits the maximum age of program participants by fund source. Postsecondary education related expenses covered through funding sources other than ETVs are available up to age 25. This age limit coincides with the age limit under O.C.G.A. § 20-3-660. ETVs for postsecondary education expenses are available up to age 23. ILP payments on behalf of program participants through these sources will no longer be necessary to cover tuition, fees, and mandatory room and board. The higher age limit under the bill (28) affects students participating in the current ILP who will age out of eligibility on or after the proposed bill's implementation date or have aged out already and are making payments on their own.

Cost of Attendance

The average in-state, full-time undergraduate tuition, fees, and room and board cost for a USG institution in academic year 2019 to 2020 was \$19,704. Without room and board, the cost is \$8,521. The tuition and fees for a TCSG institution in academic year 2019 to 2020 was \$3,044 for a full-time student. These are the amounts that could be waived per participating student.

It is reasonable to assume that a significant portion of participating students may qualify for other student aid identified in the Student Aid Report, which must be utilized before the bill's waiver. It is reasonable to assume that many students would qualify for the Pell Grant; however, it is unclear if the grant (maximum of \$6,345 in 2020-21) must be applied to tuition and fees before other costs of attendance. If those funds are used for other recognized expenses such as books, supplies, transportation, and limited living expenses, the grant funds would likely be exhausted before application to direct school costs.

Students Affected

DFCS, USG, and TCSG were unable to provide a complete count of those students who will be affected by the bill. As previously noted, tracking of foster and adopted children beyond the legal age of maturity (18) depends on the voluntary participation of the individual. Those who participate in the DFCS ILP and receive ETVs for postsecondary education expenses are tracked by the University of Georgia, J.W. Fanning Institute, the third-party provider of ETVs for DFCS. In federal fiscal year 2019, 204 USG students and 45 TCSG students received an ETV. These students only represent a portion of those who are eligible for waivers.

For illustrative purposes, if 204 USG students were to receive full waivers of all school tuition and fees, the waiver (revenue loss to the school) would be \$4.0 million. Waivers for 45 TCSG students would total \$137,000.

Sincerely,

A handwritten signature in blue ink that reads "Greg S. Griffin".

Greg S. Griffin
State Auditor

A handwritten signature in black ink that reads "Kelly Farr".

Kelly Farr, Director
Office of Planning and Budget

GSG/KF/rg