

## Department of Planning and Budget 2024 Session Fiscal Impact Statement

1. **Bill Number:** HB700

**House of Origin**     Introduced     Substitute     Engrossed

**Second House**     In Committee     Substitute     Enrolled

2. **Patron:** Tata

3. **Committee:** Education and Health

4. **Title:** Certain individuals in foster care, in the custody of the Department of Social Services, or considered a special needs adoption; parameters of higher education grants; point of contact for support and guidance.

5. **Summary:** Adds the cost of room and board to the amount of the grants required to be provided by associate-degree-granting and baccalaureate public institutions of higher education to certain individuals who were in foster care, in the custody of the Department of Social Services, or were considered a special needs adoption; makes eligible for such grants any individual who meets certain other eligibility criteria and was in foster care, in the custody of the Department of Social Services, or considered a special needs adoption at any time after they turned 14. Current law requires such an individual to have been in foster care or in the custody of the Department of Social Services or considered a special needs adoption at the time that their high school diploma or equivalency examination certificate was awarded. The bill also requires each public institution of higher education to identify at least one employee of the institution to serve as a point of contact for each enrolled student who was in foster care, in the custody of the Department of Social Services, or considered a special needs adoption in order to provide such students with support and guidance, including support and guidance relating to financial aid and any associated applications or other required paperwork.

6. **Budget Amendment Necessary:** No

7. **Fiscal Impact Estimates:** Preliminary. See Item 8.

8. **Fiscal Implications:** Under current law, comprehensive community colleges are required to provide this grant for the payment of tuition and certain fees, and such grants are optional for other public institutions of higher education. This bill makes provision of the grant mandatory for all associate-degree-granting public institutions of higher education and baccalaureate public institutions of higher education, and it expands the grant to include the cost of room and board in addition to tuition and fees. The bill also expands the population of eligible students. If state funding is not appropriated to support these grants, the institutions will be fully responsible for these costs. The actual fiscal impact to institutions is indeterminate at this time.

The bill maintains the provision that grant amounts shall be calculated after consideration of any additional financial resources or aid the student holds. The federal Free Application for Federal Student Aid (FAFSA) calculations use an index titled Expected Family Contribution (EFC) to determine federal student aid eligibility. For the 2024-2025 award year, the EFC is replaced by a

similar index titled Student Aid Index. Federal calculations for need-based aid return an EFC at or near zero for students in foster care, meaning they are typically eligible for the maximum Pell Grant and may be eligible for additional need-based aid. Assuming the maximum 2023-2024 Pell Grant of \$7,395 and the 2023-2024 average yearly tuition, room and board, and fees for all public institutions of \$26,014, the average cost to public institutions of higher education providing grants to cover the remaining tuition, fees, and room and board for eligible students would be \$18,619 annually per student.

It is not possible at this time to ascertain how many students would be eligible for grants because the full population is not currently tracked by any agency. The Department of Social Services (DSS) estimated the number of individuals who may be eligible for the grants required by this legislation based on the number of individuals eligible for the DSS Education and Training Voucher (ETV) Program, which assists eligible foster care and adopted teens or young adults with post-secondary education and training expenses. DSS estimates that 715 individuals may be eligible for the ETV Program in FY 2024. DSS notes that the population of individuals eligible for the grants required by this legislation could be greater because DSS systems may not capture all individuals over age 21 with foster care experience, youth that were adopted over the age of 16, or special needs adoptions.

VCCS estimates that approximately 300 individuals who experienced foster care are enrolled in VCCS courses in any given semester based on its existing Great Expectations program, which supports financial aid and wrap-around services for individuals who were in foster care, custody of social services, or a special needs adoption when they earned their high school diploma or GED. VCCS notes that this population of students often is eligible for other federal and state financial aid, so very few qualify for additional last-dollar aid under the existing VCCS foster care grant financial aid program. Previous estimates from baccalaureate public institutions of higher education for students previously in foster care were as high as 200 students at individual institutions based on information provided by students on the FAFSA.

Because this legislation expands the grant requirement to all public institutions of higher education and adds the cost of room and board, this increases the projected grant amounts even after accounting for other sources of aid. Furthermore, it is possible that providing guaranteed free tuition, room and board, and fees for students fitting the parameters of the legislation would incentivize more to apply to public four-year institutions. It is unknown how many more students would apply and be admitted; however, it can be assumed that a portion of the students currently in the community college system would take advantage of transfer agreements and thus be admitted to four-year institutions.

**9. Specific Agency or Political Subdivisions Affected:** Public institutions of higher education

**10. Technical Amendment Necessary:** No

**11. Other Comments:** None