



Legislative Fiscal Bureau

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February 7, 2018

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Assembly Bill 777/Senate Bill 729: Tuition Remissions for Foster Care Students

Assembly Bill 777 was introduced on December 27, 2017, and was referred to the Assembly Committee on Colleges and Universities. On February 1, 2018, the Assembly Committee on Colleges and Universities recommended adoption of Assembly Amendment 1 by a vote of 13-0, and recommended the bill for passage as amended on a vote of 12-1. On February 1, 2018, the bill was referred to the Joint Committee on Finance.

Senate Bill 729, a companion bill to AB 777, was introduced on January 26, 2018, and was referred to the Senate Committee on Universities and Technical Colleges. On February 2, 2018, the bill was withdrawn from the Senate Committee on Universities and Technical Colleges and referred to the Joint Committee on Finance.

SUMMARY OF BILL

Under AB 777/SB 729, the UW Board of Regents and Wisconsin Technical College System (WTCS) district boards would be required to grant tuition remissions to students who had been placed in foster care or other placements out of their parent's home.

The Board of Regents or technical college district board would be required to grant full remission of academic fees and segregated fees to any eligible individual for a semester or session if the individual satisfies each of the following: (a) the individual completes the Free Application for Federal Student Aid (FAFSA) for that semester or session; and (b) the individual is enrolled in an associate's degree or bachelor's degree program at a UW institution or a technical diploma or associate degree program at a WTCS institution in that semester or session. The Board of Regents or district board would be required to deduct from the remission the amount of federal assistance awarded to the individual for that semester or session, defined as any federal scholarship, grant, or aid, other than a loan, provided to a student or to a student's educational institution on behalf of the student. A remission could be granted for no more than 12 total semesters or sessions, and could

not be granted to an eligible individual after he or she is awarded a bachelor's degree or attains the age of 25 years old, whichever comes first.

To be eligible for a remission under the program, a student would be required to be a state resident who resided in an out-of-home placement in this state under a court order under any of the following circumstances: (a) on his or her 18th birthday; (b) on his or her 13th birthday, and after his or her 13th birthday he or she was adopted or appointed a non-agency guardian; or (c) for at least one year on or after his or her 13th birthday, and he or she returned to live in the home of his or her parent after termination of the order. The program would first apply to eligible students enrolled in a UW or WTCS institution in the first semester or session following the effective date of the bill.

The bill would provide \$410,000 GPR annually in a biennial appropriation for foster care remissions under the Higher Education Aids Board (HEAB). At the end of each semester, the Board of Regents or WTCS district board would be required to certify to HEAB the number of students enrolled in a UW or WTCS institution to whom fees have been remitted and the amount of those fees. Subject to Board approval, HEAB would be required to reimburse the Board of Regents or WTCS district board for the full amount of fees remitted. If funds available are insufficient to fully reimburse eligible claims, based on a determination made by HEAB in June of each year, HEAB would be required to prorate the reimbursement amount. The Board of Regents would be required to credit the reimbursement to the appropriation for funds transferred from other state agencies and expend the amount received for degree credit instruction.

Additionally, the bill would provide \$120,000 GPR in 2018-19 in a biennial appropriation for grants to support former foster youth in higher education under the Department of Children and Families (DCF). DCF would be required to award at least four grants of up to \$30,000 to UW System or WTCS institutions for the purpose of providing resources, programs, and activities for former foster youth enrolled in the institution.

SUMMARY OF AMENDMENT 1

Assembly Amendment 1/Senate Amendment 1 would modify the definition of an eligible individual to specify that an individual who was adopted or appointed a non-agency guardian on or after his or her 13th birthday would be eligible, if he or she resided in an out-of-home care placement at any age prior to the adoption or appointment, rather than requiring that the individual reside in an out-of-home care placement on his or her 13th birthday as under the bill.

FISCAL EFFECT

As noted above, the bill would provide \$410,000 GPR annually in a biennial appropriation to reimburse UW and WTCS institutions for remissions. Based on the provisions of the bill as introduced, this office estimated that UW institutions and Wisconsin technical colleges may remit \$820,000 annually in tuition and fees to students who were formerly in foster care under the proposal. Because the program would first begin in the first semester or session following the effective date of the bill, the amount of funding provided would be sufficient to fully fund

estimated remissions in 2018-19. However, base level funding may need to be adjusted to fully reimburse UW and WTCS institutions in 2019-20 and future years.

The bill would also provide \$120,000 GPR in 2018-19 in a biennial appropriation for grants to UW System or WTCS institutions for programs to support former foster youth. The total cost of the bill would be \$410,000 GPR in 2017-18 and \$530,000 GPR in 2018-19.

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