

**COMMONWEALTH OF KENTUCKY FISCAL NOTE STATEMENT
LEGISLATIVE RESEARCH COMMISSION
2020 REGULAR SESSION**

MEASURE

2020 BR NUMBER 1439

SENATE BILL NUMBER 127

TITLE AN ACT relating to the tuition waiver for Kentucky foster or adopted children.

SPONSOR Senator Morgan McGarvey

FISCAL SUMMARY

STATE FISCAL IMPACT: YES NO UNCERTAIN

OTHER FISCAL STATEMENT(S) THAT MAY APPLY: ACTUARIAL ANALYSIS
 LOCAL MANDATE CORRECTIONS IMPACT HEALTH BENEFIT MANDATE

APPROPRIATION UNIT(S) IMPACTED: All postsecondary institutions

FUND(S) IMPACTED: GENERAL ROAD FEDERAL RESTRICTED _____

FISCAL ESTIMATES	2019-2020	2020-2021	2021-2022	ANNUAL IMPACT AT FULL IMPLEMENTATION
REVENUES		(\$487,700)	(\$812,800)	(\$812,800)
EXPENDITURES				
NET EFFECT		(\$487,700)	(\$812,800)	(\$812,800)

() indicates a decrease/negative

PURPOSE OF MEASURE: The bill expands eligibility for the foster care waiver from five years after admittance to ten years after admittance and allows waivers for graduate school tuition.

FISCAL EXPLANATION: SB 127 will have a negative fiscal impact on public colleges and universities, as the colleges and universities will forgo tuition and fee revenue from eligible students for up to 10 years for undergraduate and graduate studies. However, the estimated fiscal impact of lengthening the waiver eligibility period from five years to 10 years for qualified undergraduate students is negligible.

The Council on Postsecondary Education (CPE) estimates 80 foster or adopted students graduate from Kentucky’s public colleges and universities each year. CPE estimates that 30% of the adopted or foster student college graduates would go on to attend graduate school, equating to 24 of the 80 students. At 24 students per year with an average annual cost for tuition and mandatory fees of \$13,545, the value of the tuition waivers for graduate studies is \$325,100 per class. In each fiscal year, institutions will be waiving tuition and fees from multiple classes of foster or adopted students, representing both first-time and returning graduate students. When considering both first-time and returning graduate students, CPE estimates the public institutions will forgo \$487,700 in FY 21 and \$812,800 in FY 22 under the bill. The forgone revenue will only increase in future years as the institutions raise tuition and fees.

DATA SOURCE(S): Council on Postsecondary Education

PREPARER: Nick Peak **NOTE NUMBER:** 112 **REVIEW:** JAB **DATE:** 2/7/2020