

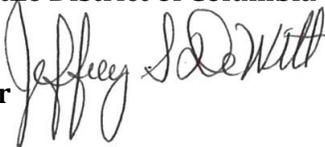
Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** April 5, 2016

**SUBJECT:** Fiscal Impact Statement – Community College For All Emergency  
Amendment Act of 2016

**REFERENCE:** Draft Emergency Bill as shared with the Office of Revenue Analysis on  
March 31, 2016

---

**Conclusion**

Funds are not sufficient in the fiscal year 2016 budget and the proposed fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill. The bill's implementation will cost approximately \$797,000 in fiscal year 2016 and \$39.9 million over the fiscal year 2016 budget and the proposed fiscal year 2017 to fiscal year 2019 budget and financial plan.

**Background**

The bill establishes the Community College For All Program, which would offer eligible students a free education<sup>1</sup> at the University of the District of Columbia Community College. To qualify, students must be District residents, have successfully completed high school<sup>2</sup> or obtained a general education diploma,<sup>3</sup> and participate in mentoring and community service programs. After they are enrolled at the Community College, students must maintain a minimum 2.0 grade point average. Students must leave the program when they receive an associate degree, or two years from the date of enrollment,<sup>4</sup> whichever occurs first.

---

<sup>1</sup> The students would not pay tuition and mandatory fees for enrollment. But they would be responsible for other types of fees.

<sup>2</sup> This could be a District high school, a high school outside the city, or a home school high school program. Completion of high school outside of the District requires at least one year of District residency to be eligible for the Program.

<sup>3</sup> The general education diploma must be received prior to the student reaching 24 years of age.

<sup>4</sup> Excludes approved leaves of absence.

The Honorable Phil Mendelson

FIS: "Community College For All Emergency Amendment Act of 2016," Draft Emergency Bill as shared with the Office of Revenue Analysis on March 31, 2016

The bill establishes the Community College For All Fund (Fund) to fund the program. The Fund may receive District local funds and grants; donations, gifts, and grants from private entities; and federal funds and grants.

### Financial Plan Impact

Funds are not sufficient in the fiscal year 2016 budget and the proposed fiscal year 2017 through fiscal year 2020 budget and financial plan to implement the bill.

The free education program will likely attract more students to the Community College. Some will be new to higher education, while others could transfer from other colleges and universities to take advantage of free education.<sup>5</sup> We estimate that 26 percent of public high school students in the District do not pursue postsecondary education and may take advantage of the Program. We also expect a third of University of the District of Columbia's (UDC) flagship program to migrate to the Community College.<sup>6</sup> The Community College's current population of approximately 2,000 District resident students during the fall and spring semesters would also likely be eligible.<sup>7</sup> The cost of tuition and mandatory fees for the Community College population is approximately \$571,000 in fiscal year 2016 and \$28.6 million over the current and proposed budgets and financial plan.<sup>8</sup> The lost tuition and fee revenues in the UDC flagship program would be reduced by \$226,000 in fiscal year 2016 and \$11.3 million over the current and proposed budgets and financial plan. This could also have an unknown impact on UDC's current program delivery.

<b>Community College For All Emergency Amendment Act of 2016</b>						
<b>Cost of Free Tuition and waiver of Mandatory Fees</b>						
<b>Fiscal Year 2016 – Fiscal Year 2020</b>						
<b>(\$000s)</b>						
	<b>FY 2016<sup>a</sup></b>	<b>FY 2017</b>	<b>FY 2018<sup>b</sup></b>	<b>FY 2019</b>	<b>FY 2020<sup>b</sup></b>	<b>Total</b>
Community College Tuition & Fees Costs	\$571	\$6,852	\$6,987	\$6,987	\$7,162	<b>\$28,559</b>
Flagship University Lost Tuition & Fees <sup>c</sup>	\$226	\$2,713	\$2,775	\$2,775	\$2,844	<b>\$11,333</b>
<b>Total Cost of Implementation</b>	<b>\$797</b>	<b>\$9,565</b>	<b>\$9,762</b>	<b>\$9,762</b>	<b>\$10,006</b>	<b>\$39,892</b>

Table Notes

<sup>a</sup> 2016 Fall semester begins on August 22, 2016.

<sup>b</sup> Assumes a 2.5 percent tuition increase in fiscal year 2018 and fiscal year 2020.

<sup>c</sup> Assumes that District's annual subsidy to UDC will increase by this amount.

The bill creates a Fund that can be used to fund the Community College costs, but no resources have been identified for the Fund at this time.

<sup>5</sup> Including transfers from the UDC flagship program.

<sup>6</sup> This is similar to the migration we saw when UDC first opened the Community College at lower tuition rates.

<sup>7</sup> Approximately 850 enroll in the summer session.

<sup>8</sup> The bill is silent on whether or not the Program's financial support is a first-dollar or a last-dollar consideration. This analysis assumes that it is a first-dollar consideration and that it would supplant federal support through Pell Grants and the Supplemental Educational Opportunity Grant.