

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 69** SLS 15RS 354
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 13, 2015	2:02 PM	Author: NEVERS
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Remedial Education		

EDUCATION DEPARTMENT OR INCREASE GF EX See Note Page 1 of 1
 Requires the Dept. of Education to pay the cost of certain postsecondary remedial and developmental coursework required of public high school graduates. (gov sig)
 Proposed legislation requires that the Dept. of Education (DOE) ensure every student who graduates from a public high school is career and college ready and provide for additional instruction to students who have demonstrated insufficient academic achievement to successfully undertake postsecondary coursework. Requires the DOE to pay the cost of any remedial or developmental coursework in English, reading, math or science required of public high school graduates as a condition of admission or enrollment in a public postsecondary institution.

Effective upon governor's signature.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$8,341,262	INCREASE	INCREASE	INCREASE	INCREASE	\$8,341,262
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$8,341,262					\$8,341,262

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

There will be an increase in state general fund expenditures by the DOE as a result of this legislation. The Board of Regents (BOR) used data from the student transcript system to identify enrollment in remedial or developmental education coursework within the 2013-2014 academic year at 2 year institutions, (4 year universities are not authorized to offer remedial education coursework). There were 17,966 students enrolled in the community college system as first time freshmen who had graduated from a public high school in 2012 or 2013. Student credit hours (SCH) were totaled and using the higher education funding formula cost matrix of 1.45 and a base SCH value for developmental coursework of 55,733, the number of weighted credit hours equaled 80,842. An estimated total cost was calculated using the most recent available SREB cost data at the 2-year College rate of \$103.18. The result were total instructional costs of \$8,341,262 for FY14. (55,753 x 1.45 = 80,842 x \$103.18). FY16 projected costs assume a base at least equal to FY14 actual.

Out year costs are indeterminable and would be based on fluctuations in student enrollment and the extent to which remedial coursework is required. Per the 2014 ACT scores of 49,178 students, 44% received a 20 or higher on the composite score which meets regional university admission standards, but only 41% received a 19 or higher on the math portion which is the minimum required math score for admissions. Changes in formula weights and cost increases in instruction would also impact the overall cost. Finally, pursuant to the LA Grad Act, 4-year institutions no longer offer remedial coursework. However, in the event there is a change in law and those universities are allowed to admit students requiring remedial coursework, out year costs could increase significantly as the cost of instruction at a 4-year institution are generally higher than those of a 2-year.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

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| Senate | <u>Dual Referral Rules</u> | House | <input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 Rev. Red. to State {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

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