

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 734** HLS 20RS 779

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 5, 2020	3:09 PM	Author: BRASS
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Dual Enrollment		

CURRICULA OR INCREASE SD EX See Note Page 1 of 2
Provides relative to access to dual enrollment

Proposed legislation requires the Board of Regents (BOR) in consultation with the Board of Elementary and Secondary Education (BESE) to adopt rules for the implementation of Dual Enrollment. Creates the Dual Enrollment Innovation and Equity Grant for the purpose of assisting and encouraging high schools and public postsecondary institutions to implement dual enrollment programs which provide equitable access and increase participation. Provides that a portion of Higher Education Initiatives Fund shall be allocated for this grant. Provides guiding principles, including: the expansion of dual enrollment opportunities; access to at least four courses for every high school student prior to graduation with no tuition or fee charges; and predictive assessments administered by tenth grade to identify student needs.

Effective upon governor's signature.

EXPENDITURES	2020-21	2021-22	2022-23	2023-24	2024-25	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						
REVENUES	2020-21	2021-22	2022-23	2023-24	2024-25	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 the expenditures of the Board of Regents and local school districts to the extent funds are deposited into and appropriated out of the Higher Education Initiatives Fund for Dual Enrollment Innovation and Equity Grants. Since there is no recurring source of funding, and there are no monies currently in the fund, actual expenditures are indeterminable. To the extent sufficient funding becomes available, expenditures could be significant.

Current law provides for the course choice program which offers academic, vocational, and technical instruction, both in person and online, by education providers, institutions of higher education, and corporations that offer vocational and technical education coursework and which have been authorized by BESE to provide such courses. School Districts' and University agreements currently offer academic coursework to students determined by the district and BOR policy to be eligible to participate. Course offerings are provided through cooperative agreements between individual districts and credit granting institutions which vary in terms of tuition and fee charges, where the instruction takes place (at the institution or high school), and who conducts the course (college instructor or certified high school teacher). Currently, these dual enrollment costs are supported through the MFP Supplemental Course Allocation (SCA), Education Excellence Fund, and 8g allocations, other state and federal grant programs, as well as local revenues. Students may also apply Tops Tech Early Start awards towards tuition. **Continued on Page 2**

REVENUE EXPLANATION

There will be an indeterminable increase in the revenues to local school districts which are awarded potential grant allocations. There will be changes in the amount of self-generated revenues collected by institutions of higher education to the extent the proposed dual enrollment framework results in changes to the tuition currently assessed for dual enrollment students as well as the impact to student enrollment.

Tuition rates vary across institutions and course offerings. The proposed BOR framework recommends a uniform and maximum tuition charges for the various delivery methods. To the extent the tuition rates approved by the BOR deviate from the tuition currently assessed by institutions, there could be increases or decreases in revenues to institutions. Further, the bill would require at least four dual enrollment courses to be offered to eligible high school students which would likely increase the number of participating students and the tuition revenue collected by the institutions. However, the LFO cannot predict the extent to which institutions' current rates will be revised, the impact on future enrollment, and the subsequent impact to institutions' self-generated revenues.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

Evan Brasseaux

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Staff Director

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CONTINUED EXPLANATION from page one:

Expenditure Explanation Continued

Finally, districts may require students to pay some or all of tuition charges for certain courses. Currently districts use the authority granted to them under LA R.S. 17:4002.4 to identify students for participation, subject to the resources available to the district.

Act 128 of 2019 created the Dual Enrollment Task Force to create a statewide dual enrollment framework. The Task Force submitted a preliminary report to the legislature in February 2020 with a final report to follow in October 2020. Preliminary recommendations included the creation of the Dual Enrollment Innovation and Equity Grants to provide for teacher credentialing; increased student participation (assessments, tutoring and other interventions); training for counselors; support for pathway programs for college and career preparation; open educational resources to reduce textbook and materials cost; and expansion of delivery methods. The actual cost of these initiatives is indeterminable but could be significant if applied on a statewide basis.

Further, the proposed framework (and included in proposed legislation) requires districts to offer dual enrollment participation in at least four courses to all high school students. Additional costs will be incurred to provide assessments and remediation for students who are not on track to be eligible for dual enrollment coursework.

In December 2017, the BOR adopted changes to Academic Affairs Policy 2.22 establishing minimum requirements for dual enrollment including course content and rigor, instructor qualifications, and student eligibility. Specifically, students require a minimum GPA of at least 2.5 and math and English sub-scores of 19 and 18 respectively. Per BOR policy, the minimum high school GPA would rise to 2.75 effective January 2019. However, the Board voted to delay the implementation of the increased GPA citing the need for additional data and analysis of dual enrollment activities. It is unclear whether the eligibility criteria established under the proposed framework would be more or less stringent than current BOR policy and whether there would be a potential increase or decrease in the number of eligible students.

Per the FY 20 MFP Supplemental Course Allocation funding there are an estimated 288,313 students in grades 7 through 12 funded at a \$59 per student allocation for a total of \$17 M. Actual tuition costs for academic and career and technical dual enrollment vary significantly depending upon the type of course and the course provider and can range from \$300 to \$800 for academic dual enrollment courses; as much as \$1,000 for ACT prep courses; and as much as \$1,400 per course for career development coursework (welding, automotive technology, pipefitting). Tuition charges by institutions of higher education range from \$100 to \$700 and vary by MOU agreements with local schools. Per LDE data, in 2017-2018 there were 54,494 enrollments in the Course Choice Program funded through the SCA; 31,517 students were enrolled in 2-year and 4-year institutions with 12,062 (38%) enrolled at a 2-year institution and 19,455 (62%) at a 4-year institution for the 2017-2018 academic year. (Note: some portion of these enrollments were non-public school students. Based on historical data 87% or 27,419 are estimated to be public school students.) The remaining 27,000 (50%) of students currently participate in programs which help them earn Jump Start credentials and high demand courses such as ACT preparation, for which no college credit is earned. The proposed legislation would redefine dual enrollment as a high school student in a college course for which both college and high school credit may be earned, which is a narrower definition than that applied under the Course Choice Program.

Per the February 2020 student count there will be an estimated 206,000 8th through 12th graders enrolled in public schools who could be impacted by this legislation beginning in FY 21. Assuming all of the 206,000 students were deemed eligible and chose to participate in college dual enrollment as defined by the bill, and assuming an average cost of \$300 per course, districts could anticipate increased costs of some \$61.7 M. The LFO reviewed the 2017 ACT report for Louisiana and the 2017-2018 LDE student achievement data to gauge student performance. Based on these reports, and assuming the BOR maintains the existing eligibility criteria which utilizes minimum English and Math ACT scores, the LFO assumes that only 50% of these students would be determined to be eligible to participate. At that rate, districts could anticipate increased costs of \$30 M. Some portion of the current SCA allocation, which is currently used to fund dual enrollment coursework, may be available to offset these costs, however, the LFO cannot identify the amount districts have expended for this purpose. Furthermore, since the Course Choice Program has not been repealed, and some coursework is not considered dual enrollment under the proposed legislation, SCA funds will continue to be utilized for other course choice programs, as required and funded by the MFP resolution. Thus, it is unknown the degree to which funds could be reallocated.

Additionally, previous reports have indicated that 61% of Louisiana's high school graduates were in need of remedial math and 42% needed remedial English. Applying those ratios to the 56,000 10th graders, over 34,000 would require remediation in math and over 23,000 would require remediation in English. Districts costs for providing remedial instruction for those students is indeterminable and would depend upon the type of intervention and resources available to the districts. Furthermore, increased performance by these students could serve to increase the rate of eligible juniors and seniors. Proposed legislation directs the LDE to assist local districts in identifying state and federal funds which may be used to support student participation. However, to the extent funds identified are already in use to defray the cost of other instructional activities, the districts will have to discontinue or reduce those activities in order to apply funds to dual enrollment.

Senate Dual Referral Rules
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
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House
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