

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 209** SLS 17RS 366

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 26, 2017	5:19 PM	Author: WALSWORTH
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Dual Enrollment		

CURRICULA OR INCREASE GF EX See Note
Provides for the Louisiana Early College Opportunity Act. (gov sig)

Proposed law requires the Board of Regents and the Board of Elementary and Secondary Education to enter into a statewide agreement governing articulation and transfer of college credits and defines the minimum expectations to be contained in the agreement. Requires management boards to establish academic requirements for dual enrollment courses; establish maximum tuition charges for various delivery methods; and publish course information each semester. Prohibits an institution from charging a local education agency (LEA) tuition for courses conducted by an employee of the local education agency (but allows charges for textbooks or materials). Requires the Board of Elementary and Secondary to direct local education agencies to establish a process to identify and notify students of the availability of dual enrollment courses and provide access to such courses at no cost to the student. Requires annual reporting to the House and Senate Education Committees. Effective upon governor's signature.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	\$0
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW					
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Local school districts' expenditures will increase significantly to the extent they will be required to expand dual enrollment opportunities and will no longer be able to charge students for dual enrollment coursework. Additionally, to the extent Institutions of Higher Education must hire additional staff to meet the requirements of the dual enrollment course publication list, and absorb the cost of dual enrollment coursework and materials for all high school students, expenditures will increase significantly.

Districts and University agreements currently offer academic, remedial and developmental, and career and technical education dual enrollment coursework to students determined by district policy to be eligible to participate. Per a March 2017 report by the LA Department of Education (LDE) over 47,072 students across the state earned credits at both 4 Year (23,516 individuals) and 2 Year institutions (23,566) in the 2015-2016 school year. 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). Proposed legislation is not expected to result in a significant change to these types of agreements. **CONTINUED ON PAGE 2**

REVENUE EXPLANATION

There will be changes in the amount of self-generated revenues collected by institutions of higher education to the extent the proposed legislation results in changes to the tuition currently assessed for dual enrollment students and the resulting impact to student enrollment.

Tuition rates vary across institutions and course offerings and while the proposed legislation requires management boards to establish maximum tuition charges for the various delivery methods, it does not require uniform charges for all institutions within or across systems. To the extent the tuition rates approved by the management boards deviate from the tuition currently assessed by institutions, there could be increases or decreases in revenues to institutions. However, the LFO cannot predict the extent to which institutions will revise current tuition rates, the impact on future enrollment, and the subsequent impact to institutions' self-generated revenues. Further, the bill prohibits an institution from charging tuition to a local education agency for courses taught by an employee of the LEA, but does allow for charges for textbooks and course materials. Institutions may generate funding through the higher education Outcomes Based Formula as a result of the student credit hours (SCH) generated by dual enrollment students; however, to the extent this funding is insufficient to fully offset the cost of serving dual enrollment students, institutions may be required to absorb these costs, or alternatively, choose not to participate as a course provider.

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:

Currently dual enrollment costs are supported through the MFP Supplemental Course Allocation, 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 and Pell Pilot awards towards tuition. Finally, districts may require students to pay some or all of tuition charges for certain courses. Proposed legislation prohibits a local school district from charging students for dual enrollment courses. To the extent districts do not have sufficient resources to absorb the full cost of dual enrollment course offerings, access to those offerings may be reduced. Districts may be required to cap the number of credit hours which can be funded, either by limiting the number of students enrolled, or limiting the number of credit hours allowed per student, or both.

Note: The proposed legislation requires that districts identify students who are both academically prepared for college coursework as well as those who are not on track to be academically prepared; to notify each identified student of the availability of such coursework; and to provide access at no cost to the student. 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. If proposed legislation requires districts to offer dual enrollment participation to every student both academic and remedial/developmental, without the ability to limit participation based on available resources, there will be a significant increases in local school district expenditures.

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.

Institutions of Higher Education currently publish student handbooks and schedules on-line at the beginning of each semester. These descriptions may contain some, but not all of the information as required by proposed legislation. Additionally, there are differences in academic eligibility requirements across programs and these do not contemplate ACT score requirements which would only apply to dual enrollment students. Finally, course delivery methods and locations will differ depending upon the agreements each institution has with multiple high schools. The extent to which an institution has to develop separate publications which contain dual enrollment specific information which varies across multiple agreements and update this information prior to each semester could require additional resources, particularly additional staff, to administer such publications. Furthermore, the publications are required to contain the statement that high school students shall not be charged for tuition, fees, and required textbooks and materials associated with dual enrollment costs. The proposed legislation deletes 17:3137 which prohibits the use of state funds for home school and non-public school students. If it is determined that the tuition-free provisions of proposed legislation would apply to these students as well, institutions would be responsible for absorbing the full cost of those students which would be significant.

The LDE projects that there could be a savings to the TOPS program to the extent dual enrollment students enter college having already earned college credits which would reduce their time in the TOPS program. However, students entering with such coursework who complete less than 30 hours per year will not likely complete degree requirements (120 hrs) in fewer than 4 years (8 semesters of TOPS eligibility). Additionally, those students who do complete degree requirements in fewer than 4 years are eligible to apply any remaining TOPS eligibility to graduate level coursework, significantly minimizing any TOPS savings.

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