

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 175** HLS 15RS 117

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 21, 2015	12:33 PM	<b>Author:</b> LORUSSO
<b>Dept./Agy.:</b> Higher Education		<b>Analyst:</b> Charley Rome
<b>Subject:</b> Tuition Exemptions for Former Members of Armed Forces		

STUDENT/TUITION OR DECREASE SG RV See Note Page 1 of 1  
Provides a tuition exemption for certain former members of the armed forces

Proposed law provides a tuition exemption at a state public postsecondary education institution for a former member of the armed forces who is a La. resident and meets additional criteria as specified in the bill. The bill limits the tuition exemptions to pursuing an undergraduate or graduate degree and prohibits it from being used to pursue a professional degree. The proposed legislation prohibits the tuition exemption from being transferred to another person and requires the state Dept. of Veterans Affairs to monitor the eligibility status of students who are granted the tuition exemption. The bill provides for the tuition exemption to apply as follows: (1) For active duty service of 12-24 months, the tuition exemption shall be granted for 90 credit hours. (2) For active duty service of 24-36 months, the tuition exemption shall be granted for 120 credit hours. (3) For active duty service of 36 months or more, the tuition exemption shall be granted for 150 credit hours.

<b>EXPENDITURES</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$43,200	\$41,200	\$41,200	\$41,200	\$41,200	<b>\$208,000</b>
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b>\$0</b>
<b>Annual Total</b>	<b>\$43,200</b>	<b>\$41,200</b>	<b>\$41,200</b>	<b>\$41,200</b>	<b>\$41,200</b>	<b>\$208,000</b>

  

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

**EXPENDITURE EXPLANATION**

State general fund expenditures will increase by an estimated \$43,200 in FY16 to fund an administrative coordinator position (\$41,200) and equipment (\$2,000) to meet the bill's requirement that the Louisiana Department of Veterans Affairs monitor the eligibility status of students who are granted the tuition exemption. These estimated costs decrease to \$41,200 in FY17 and thereafter as the one-time costs equipment costs (\$2,000) non-recur.

**REVENUE EXPLANATION**

There will be an indeterminable decrease in self-generated revenues from tuition and fees for tuition exemptions for former members of the armed forces as required by the bill. There is no way to estimate the number of former members of the armed forces who might obtain tuition exemptions per the bill. Universities have information identifying current students as veterans, but cannot determine if these students meet the following requirements in the bill to obtain the tuition exemptions: 1. La. resident during entire tour of active duty. 2. Received an honorable discharge. 3. Exhausted or transferred post 9/11 GI Bill benefits. 4. Not eligible for National Guard tuition exemptions (LRS 29:36.1). In FY15, according to the Board of Regents, average annual tuition/mandatory fees are \$3,425 at 2-year schools and \$6,900 at 4-year schools. As such, it would take approximately 146 students receiving exemptions at 2-year schools to exceed \$500,000 revenue loss per year (146 students X \$3,425 = \$500,050) or 73 students receiving exemptions at 4-year schools to exceed \$500,000 revenue loss per year (73 students X \$6,900 = \$503,700).

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| <u>Senate</u>  | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}                    |
| <input 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 checked="" 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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