

LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 862** HLS 24RS 2063
 Bill Text Version: **ENROLLED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 30, 2024	1:57 PM	Author: HUGHES
Dept./Agy.: Higher Education		Analyst: Chris Henry
Subject: Tuition and Mandatory Fee Autonomy		

STUDENT/TUITION Page 1 of 1
 EN INCREASE SG RV See Note
 Authorizes, with limitations, public postsecondary education management boards to establish and increase student tuition and mandatory fees

Proposed law authorizes each public postsecondary education management board the ability to adjust tuition and mandatory fees by an increase of not more than 10% or a decrease without limit over any two-year period and further provides as follows: (1) Establish differential tuition for graduate, professional, specialized programs, and undergraduate programs which have been identified as "high cost" by the Board of Regents. (2) Establish mandatory fee amounts as well as control and consolidate separate fees. (3) Requires each board to establish criteria for waiving the tuition authorized by proposed law in cases of financial hardship. (4) Requires each management board to annually report on the tuition and fee changes to the Board of Regents, Legislative Committees on Education, House Appropriations, and Senate Finance.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0

Annual Total

EXPENDITURE EXPLANATION

There could be an increase in SGR expenditures corresponding to the increases in revenue resulting from the proposed law allowing management boards to adjust tuition and mandatory fees in a given academic year.

Note: The proposed legislation would not impact the Taylor Opportunity Program for Students (TOPS). Pursuant to R.S. 17:5002, award amounts for TOPS are frozen at the 2016-17 tuition amounts charged by the public college or university.

REVENUE EXPLANATION


The proposed law will likely increase SGR revenue to the extent differential tuition and mandatory fee increases are approved by the management boards of individual institutions. The programs of study that will be eligible for an increase are limited to any graduate, professional, or specialized program as well as undergraduate programs identified as high cost by the Board of Regents. The proposed legislation provides flexibility in the additional amount institutions can charge as long as they do not increase the amount by more than 10% in one year compared to the previous year. Conversely, the proposed law will also allow management boards to lower tuition and fee amounts without limitation. **Therefore, the LFO cannot accurately project the additional annual revenue each institution will generate.**

As an illustrative example of the amount of revenue in question, based on the Board of Regents (BOR) budget forms, FY 23 collections of "General Registration" fees at 2-year and 4-year institutions totaled \$981.2 M. A one percent (1%) increase in this revenue stream would generate \$9.8 M in additional gross revenue, while the full 10% would equate to \$98.1 M.

Actual collections of mandatory tuition and fees will be influenced by several additional factors. Collections could be reduced by hardship waivers, fee exemptions, or other forms of student aid. In addition, institutions may choose not to impose significant increases or any increases at all in order to maintain access for a wider body of students. General market factors such as the amount charged by peer institutions will also have to be considered to ensure tuition and fees are competitive.

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}


Patrice Thomas
Deputy Fiscal Officer