

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: SB 69 SLS 11RS 189

Bill Text Version: ENROLLED

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Table with 2 columns: Information (Date, Dept./Agy., Subject) and Author/Analyst (Author: NEVERS, Analyst: Charley Rome).

POSTSECONDARY ED EN INCREASE SG EX See Note Page 1 of 2
Creates the Northshore Technical Community College. (gov sig)

Proposed law creates the Northshore Technical Community College as a multi-campus, public institution of postsecondary education under the supervision and management of the Board of Supervisors of Community and Technical Colleges, subject to the appropriate approval of, and oversight by, the Board of Regents. Provides that the Northshore Technical Community College: 1. Shall provide a comprehensive educational program which may include career and technical education and training, workforce development training, adult basic education, continuing education, general education, associate degree programs, college transfer degree programs, and other educational programs. 2. May grant certificates, diplomas, associate degrees, and associate transfer degrees. 3. Shall provide educational programs and services through the Florida Parishes Campus, the Hammond Area Campus, and the Sullivan Campus of the Louisiana Technical College, and others. Requires the LCTCS Board of Supervisors to submit a written report to the Senate and House education committees relative to the status of the Northshore Technical Community College, not later than January 1, 2012 . Effective upon governor's signature.

Table with 7 columns: EXPENDITURES, 2011-12, 2012-13, 2013-14, 2014-15, 2015-16, 5 -YEAR TOTAL. Rows include State Gen. Fd., Agcy. Self-Gen., Ded./Other, Federal Funds, Local Funds, and Annual Total.

EXPENDITURE EXPLANATION

According to the Louisiana Community and Technical College System (LCTCS), expanding academic course offerings at Northshore Technical College is anticipated to increase overall net expenditures by approximately \$620,000. A portion of those expenditures were incurred in FY11 and the remaining funds will be expended in FY12 and thereafter. According to LCTCS, Northshore will transition to become a technical community college in three phases which will be concluded in June of 2012. The first two phases are projected to be completed by June of 2011.

In fiscal years beyond FY 12, the expenditures made by Northshore are projected to increase by an indeterminate amount and will be contingent upon available revenues, change in demand for space and course offerings due to increasing enrollment, and appropriation of state funds by formula distribution among the LCTCS institutions.
Given the formula funding mechanism, the amount of state general fund allocated to the college may be reduced as a result of increased self-generated funds, but will be less than a dollar-for-dollar reduction.

REVENUE EXPLANATION

Self-generated revenues from tuition and fees will increase due to the proposed legislation. Tuition charged on a per credit hour basis is greater for technical community colleges than for technical colleges. Northshore will charge higher tuition and fee amounts for academic programs compared to technical programs. Northshore also anticipates further increases in tuition and fee revenue collections due to anticipated increasing enrollment of students in academic courses.

For purposes of calculating anticipated revenue increases in this fiscal note, the difference in the tuition rate between that currently charged by Northshore was compared to the tuition rate charged at Fletcher Technical and Community College (\$922.09). The difference was then multiplied by the number of Full Time Equivalent students currently attending Northshore and paying tuition (non-waiver students) to calculate the anticipated revenue gain, \$922.09 X 2,099 = \$1,935,467. This fiscal note assumes an annual 5% increase in enrollment in years two through five based on evidence generated from transitions of other similar institutions in the past.

Table with 3 columns: Senate, Dual Referral Rules, House. Rows include fiscal cost and tax/fee increase details, and signature of Evan Brasseaux, Staff Director.



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Fiscal Note On: **SB 69** SLS 11RS 189

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Proposed Amd.:

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Date: June 23, 2011 5:11 PM	Author: NEVERS
Dept./Agy.: Northshore Technical College	
Subject: Creates the Northshore Technical Community College	Analyst: Charley Rome

CONTINUED EXPLANATION from page one: Page 2 of 2
CONTINUED EXPENDITURE EXPLANATION:

In order to accommodate transition from a technical college to a technical community college, Northshore has taken or will take the following actions:

- Elimination of some technical education programs and 23 associated full-time equivalent (FTE) positions, -\$381,184 (actual net reduction of -\$98,500 due to current year cuts in state general fund support)
- Reclassify the Director of Institutional Research as the Director of Institutional Research & Effectiveness, \$12,908
- Hire a librarian, \$58,500
- Hire 5 full-time general education instructors, \$250,000
- Hire 5 adjunct instructors, \$85,400
- Hire a Vice Chancellor of Instruction, \$104,000
- Reclassify the Chief Academic & Student Affairs Officer as the Dean of Student Affairs, -\$3,640
- Hire a counselor, \$52,000
- Provide for library services and resources necessary to become a technical community college, \$100,000
- Provide for marketing and branding of the new college, \$30,000
- Consultation costs associated with accreditation by the Southern Association of Colleges and Schools, \$30,000

Net change in expenditures: \$620,668

LCTCS anticipates that expenditures will continue to increase in years two through five contingent upon available revenues, change in demand for space and course offerings due to increasing enrollment, and appropriation of state funds by formula to LCTCS institutions.

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