



LEGISLATIVE FISCAL OFFICE
Fiscal Note

Fiscal Note On: **HB 66** HLS 15RS 459

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 20, 2015 7:50 AM	Author: CARMODY
Dept./Agy.: Higher Education	
Subject: Tuition/Fees at Public Postsecondary Institutions	Analyst: Charley Rome

STUDENT/TUITION

OR INCREASE SG RV See Note

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Provides for setting tuition and fees at public postsecondary education institutions

Proposed law authorizes each institution of higher education to establish its own tuition and fees, including the base tuition, tuition enhancements, differential tuition (an amount that deviates from the base tuition based on the student's major), tiered tuition (an amount that differs depending on the year the student entered the institution), proportional tuition (for part-time students or summer school), per-credit-hour tuition, online tuition, tuition incentives, and tuition waivers. Though statutorily provided tuition/fees are being removed from statues, all such tuition and fees existing on 12/31/15 are being retained, subject to change as provided by proposed law. Such tuition/fees being retained also include those provided for by management boards, established in uncodified law, or otherwise imposed by the institution. Under proposed law, the only substantive change with respect to any existing tuition or fee is the severing of tuition autonomies from the LA GRAD Act. The proposed Constitutional amendment states that tuition attributable to any increase or new tuition approved or implemented by an institution after December 1, 2015, shall not be payable by the state under the Taylor Opportunity Program for Students. Effective if and when the proposed amendment of Article __ of the Constitution of La. contained in the Act which originated as House Bill No. __ of this 2015 R.S. of the Legislature is adopted at a statewide election and becomes effective.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	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

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The proposed Constitutional amendment states that tuition attributable to any increase or new tuition approved or implemented by an institution after December 1, 2015, shall not be payable by the state under the Taylor Opportunity Program for Students.

REVENUE EXPLANATION

Self-generated revenues from tuition and mandatory fees will likely increase to the extent that management boards approve increases as authorized by the proposed Constitutional amendment. However, public colleges and universities face market factors that affect their ability to raise tuition per authority granted by the proposed Constitutional amendment. Some institutions have seen enrollment declines as tuition goes up, decreasing overall revenues from students. Other institutions may choose not to impose significant increases in order to maintain access for low-income students. Actual collections of tuition and mandatory fees may also be reduced by hardship waivers, fee exemptions or other forms of student aid.

According to the Board or Regents, each of the following types of public institutions in the state had the following average annual tuition amounts in FY15: 2-year schools (\$3,425), 4-year schools (\$6,900), and graduate programs (\$7,500). Regents also reported the following number of full-time equivalent (FTE) students attended the following types of public institution in the state in FY14 (latest information currently available): 2-year schools (47,520 students), 4-year schools (101,715 students), and graduate programs (15,810 students). Using these average tuition amounts and FTE counts, a 1% increase in tuition would generate approximately \$9.8M in additional revenues; before reductions for hardship waivers, fee exemptions or other forms of student aid. This estimate is to illustrate the general magnitude of potential tuition/fee increases. However, there is no way to estimate the actual amount of increases in tuition/fees attributable to the proposed Constitutional amendment.

<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}	<div>Evan Brasseaux</div> <div>Evan Brasseaux Staff Director</div>
<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}	