

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



Fiscal Note On: **HB 168** HLS 15RS 275

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> April 20, 2015 7:51 AM	<b>Author:</b> CARTER
<b>Dept./Agy.:</b> Higher Education	<b>Analyst:</b> Charley Rome
<b>Subject:</b> Modification of Tuition and Fees for Graduate Students	

STUDENT/TUITION OR INCREASE SG RV See Note Page 1 of 1  
Provides relative to tuition and fees for postbaccalaureate programs at public colleges and universities

Proposed law authorizes the management boards of public higher education to modify tuition, fees, and fee amounts for graduate programs at institutions under their respective management and supervision. Further authorizes the boards to establish proportional amounts for part-time students and summer sessions. Provides relative to waivers of tuition and fees authorized by proposed law in cases of financial hardship or extraordinary merit. Present law, the GRAD Act, authorizes specific tuition and fee increases at public postsecondary education institutions contingent on those institutions meeting performance goals established by agreement with the Board of Regents. Proposed law provides that the authority to modify tuition and fees authorized by proposed law is not subject to such contingencies. Effective upon governor's signature.

<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.	\$0	\$0	\$0	\$0	\$0	<b>\$0</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><u>\$0</u></b>
<b>Annual Total</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</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.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

**REVENUE EXPLANATION**

Self-generated revenues from tuition/mandatory fees will likely increase to the extent that management boards approve increases in graduate tuition/fees as authorized by the proposed legislation. However, public colleges and universities face market factors that affect their ability to raise tuition/fees per authority granted by the bill. Some institutions have seen enrollment declines as tuition/fees go 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/mandatory fees may also be reduced by hardship waivers, fee exemptions or other forms of student aid.

According to the Board or Regents, the average annual graduate tuition/mandatory fee is \$7,500 in FY15. Regents also reports that there were 15,810 graduate students in FY14 (latest information currently available). Using this average graduate tuition/mandatory fee amount and FTE count, a 1% increase would generate approximately \$1.2M 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 bill.

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|--|----------------------------|-------|--|
| Senate   | <u>Dual Referral Rules</u> | House | <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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