

LEGISLATIVE FISCAL OFFICE
Fiscal Note



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

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 29, 2015	3:36 PM	Author: CARTER
Dept./Agy.: Higher Education		Analyst: Charley Rome
Subject: Modification of Tuition and Fees for Graduate Students		

STUDENT/TUITION

EG INCREASE SG RV See Note

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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. The bill limits total tuition and fee amounts and annual adjustments to such amounts based on national per full time equivalent student amounts, as reported by the National Center for Education Statistics, of national peers selected by the institution. 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.

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.

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. The bill specifies that total tuition and fees shall not exceed the national average per full time equivalent student as reported by the National Center for Education Statistics (NCES). 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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|----------------------------------------------------------------------------------------|----------------------------|--------------|--------------------------------------------------------------------------------------------|
| <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} |

Evan Brasseaux

Evan Brasseaux
Staff Director