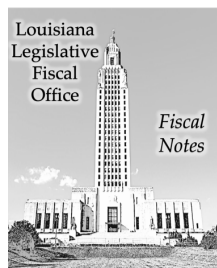


LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 183** HLS 22RS 623

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 17, 2022	4:57 PM	Author: HUGHES
Dept./Agy.: Higher Education		Analyst: Tim Mathis
Subject: Student records		

HIGHER EDUCATION EG DECREASE SG RV See Note
Provides relative to withholding of student transcripts for financial reasons

Page 1 of 1

Proposed legislation requires public postsecondary education management boards to adopt policies to prohibit institutions from withholding certain services and records when a student has an outstanding debt with the institution or a federal loan in default.

EXPENDITURES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						
REVENUES	2022-23	2023-24	2024-25	2025-26	2026-27	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	DECREASE	DECREASE	DECREASE	DECREASE	DECREASE	
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 impact to expenditures of postsecondary education institutions as a result of the prohibitions on collecting student debt. Institutions currently refer unpaid tuition and fees to either the Office of the Attorney General (AG) or the Department of Revenue (LDR) Office of Debt Recovery for further action, once other methods for collecting debt have failed. To the extent there is an increase in unpaid tuition and fees as a result of the proposed legislation, the AG or LDR may experience increased workload. Per the AG, an additional Collector position may be needed (\$39,462 salary and \$24,164 related benefits) as well as associated operating expenses. These expenses would be funded through self-generated revenues retained through a portion of collections the agency is able to recoup.

REVENUE EXPLANATION

There will likely be decreased self-generated revenues for postsecondary education institutions if they are unable to hold a transcript to collect outstanding student debt. Outstanding student debt may consist of unpaid tuition and fees, parking fines, housing costs, and other charges. The aggregate impact across all institutions is indeterminable. For illustrative purposes, LSU A&M reports \$11.4 M in outstanding debt for 3,336 former students; the Southern University system reports \$12.2 M in outstanding debt; the University of Louisiana system reports \$40.4 M in outstanding debt for four institutions; other institutions are in the process of collecting data at this time.

The LDR and AG will receive an indeterminable increase in self-generated revenues to the extent postsecondary education institutions refer additional outstanding student debt to the agencies. Per state law, LDR may charge the debtor a fee up to 25% of the total liability of debt collected.

Act 334 of 2020 authorized postsecondary education management boards to adopt policies to prohibit institutions from withholding records as a means of collecting student debt; however, no systems report such policies are currently in place.

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}

Evan Brasseaux

Evan Brasseaux
Interim Deputy Fiscal Officer