

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



Fiscal Note On: **HB 528** HLS 17RS 713  
 Bill Text Version: **REENGROSSED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

**Date:** May 25, 2017 8:32 AM **Author:** BROADWATER  
**Dept./Agy.:** Higher Education **Analyst:** Willis Brewer  
**Subject:** Postsecondary education outcomes-based funding formula

HIGHER EDUCATION RE SEE FISC NOTE GF EX Page 1 of 1

Relative to the outcomes-based funding formula for public postsecondary education, creates a seven-member panel to which the Bd. of Regents shall annually submit a preliminary formula allocation

Proposed law creates and provides for the the Public Postsecondary Education Funding Formula Panel, which shall have seven members – the president of each public postsecondary education system, one member appointed by the governor, subject to Senate confirmation, one member appointed by the La. House of Representatives from the membership of the Louisiana Workforce Investment Council, and one member appointed by the La. Senate from the membership of the Louisiana Innovation Council. Provides that the member appointed by the governor shall serve as chairman.

Proposed law requires the Board of Regents to submit to the panel no later than March thirty-first of each year a preliminary formula allocation for the ensuing fiscal year which is required to be developed using audited data. Proposed law requires the commissioner of higher education to hold public meetings during this panel, public testimony to be considered, and a favorable vote at least five panel members for approval of the formula allocation. After approval, the Board of Regents will submit the allocation to the Joint Legislative Committee on the Budget, the House Committee on Education, and the Senate Committee on Education no later than seventy-two hours prior to the final adjournment of the Regular Session of the Legislature.

<b>EXPENDITURES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW					
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>REVENUES</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</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>

**EXPENDITURE EXPLANATION**

There is no anticipated direct material effect on governmental expenditures as a result of this measure. The Board of Regents (BOR) currently uses audited data to develop its outcome based funding formula. To the extent the Board of Regents requires an external firm to audit the data, it is anticipated the BOR will incur additional expenses.

The proposed law creates the Public Postsecondary Education Funding Formula Panel composed of the president of each public postsecondary education system, one member appointed by the governor subject to Senate confirmation, one member appointed by the La. House of Representatives, and one member appointed by the La. Senate to review the preliminary formula allocation, to consider public testimony delivered at the public meeting, and to approve the formula allocation prior to the Board of Regents adoption at its June meeting.

Currently, the Board of Regents is required to submit the funding formula allocation to the Senate Committee on Education, the Senate Committee on Finance, the House Committee on Education, and the House Committee on Appropriations no later than March 31st of each year. It is anticipated this legislation will require the preliminary funding formula allocation to be submitted to both these committees and the Panel. Once the Panel and the BOR approves the allocation, the funding formula allocation must be submitted to the Joint Legislative Committee on the Budget (JLCB) and both Education committees 72 hours prior to final adjournment. To the extent, the Board of Regents requires an additional emergency board meeting to approve the funding formula prior to Regular Session adjournment, there will be minimal costs incurred by the BOR. In FY 16, the Board of Regents spent \$14,274 in cost reimbursements (per diem and travel) to its board members during its nine board meetings(average of \$1,586 per meeting).

**REVENUE EXPLANATION**

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

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*  
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