



**LEGISLATIVE FISCAL OFFICE  
Fiscal Note**

Fiscal Note On: **HB 616** HLS 22RS 1070  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 12, 2022	4:02 PM	<b>Author:</b> MCKNIGHT
<b>Dept./Agy.:</b> Education		
<b>Subject:</b> Dual Enrollment Microgrant Program		<b>Analyst:</b> Garrett Ordner

SCHOOLS/HIGH SCHOOL OR INCREASE GF EX See Note Page 1 of 2  
 Creates and provides for a program to provide funding for dual enrollment expenses for public high school students

Proposed law creates a Dual Enrollment Microgrant Program to be administered by the Department of Education (LDE) in accordance with Board of Elementary and Secondary Education (BESE) rules. Rules must provide for eligibility, audits, and LDE authority to deem students ineligible and to contract with nonprofit organizations for administration. Requires LDE to allocate, from funds appropriated or otherwise made available, up to \$1,200 per participant per school year, and to develop a system for parents to direct account funds to pay expenses related to dual enrollment. Provides that funds must be used for dual enrollment expenses for the participating student. Up to 50% of total funds deposited into the account in a school year may roll over if unused; funds may be returned to the state general fund under certain circumstances. Provides for student eligibility. Provides for reporting requirements by the LDE.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<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>	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<b>\$0</b>
Agy. Self-Gen.	\$0	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	<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>

**EXPENDITURE EXPLANATION**

There will be an increase in state expenditures to develop and fund the Dual Enrollment Microgrant Program. The Department of Education (LDE) anticipates program planning and administration will cost the department \$223,954 per year. All funding for awards must be appropriated by the legislature. The LDE also estimates that in addition to the funding appropriated for microgrant awards, approximately 5% of funding made available for the program will be needed to contract with an outside vendor to perform the majority of administrative duties, as well as paying other administrative costs that include equipment, systems, and other potential operating costs. Public postsecondary education institutions may experience costs to create additional positions to facilitate a new billing process to accept microgrants for dual enrollment expenses. Institutions may require additional instructional costs due to increased enrollment by high school students due to the proposed legislation.

Participants will receive, from funds appropriated or otherwise made available, up to \$1,200 per school year. Participants must be eligible to participate in dual enrollment pursuant to applicable policies of the Board of Regents and the participating institution.

The LDE reports it will require \$223,954 to create one (1) Education Program Consultant 4 position (\$82,441 salary and \$37,098 related benefits) and one (1) Budget Analyst 4 or Budget Manager position (\$72,010 salary and \$32,405 related benefits). The Education Program Consultant will be responsible for the implementation of the program, policy and guidance development, partner/vendor management, and public outreach. The Budget Analyst 4 will manage the fiscal portion of the program and, in collaboration with other Education Finance staff and/or the external vendor, ensure that the program has appropriate fiduciary accountability. The LDE anticipates that FY 23 will be a planning year in which the department will research the viability of contracting with an external vendor to carry out a portion of the program administration and conduct an RFP to identify potential vendors.

**EXPENDITURE EXPLANATION CONTINUED ON PAGE TWO**

**REVENUE EXPLANATION**

Public postsecondary education institutions will receive increased self-generated revenues through the Dual Enrollment Microgrant Program. The net impact to institutions is indeterminable, as funding for dual enrollment courses received through other state and local sources may decrease by an equal or lesser amount. Actual revenues will depend on the tuition and fee charges for each institution. Accounts shall be closed and funds in the account shall be returned to the state general fund if the student is no longer eligible, the account is inactive, or the parent fails to comply with program provisions.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input checked="" type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}		<input checked="" type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
<input 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*  
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**Evan Brasseaux**  
 Interim Deputy Fiscal Officer



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CONTINUED EXPLANATION from page one:

EXPENDITURE EXPLANATION CONTINUED FROM PAGE ONE

The LDE estimates that in addition to funding for the needed positions and microgrant awards, approximately 5% of funds made available to the program will be needed to cover the cost of the vendor to administer the program, as well as administrative costs that include equipment, systems, and other potential operating costs.

For illustrative purposes, if 2,000 public school students participate in the Dual Enrollment Microgrant Program and receive grants of \$1,200, the legislature would need to appropriate this \$2.4 M plus an additional 5% (\$120,000) for vendor and administrative costs, for a total of \$2.5 M. A portion of this funding may displace local and other state funding provided for dual enrollment. To the extent this occurs, districts may experience reduced costs; however, the extent of this is indeterminable.

Course offerings are provided through cooperative agreements between individual districts and credit granting institutions which vary in terms of tuition and fee charges, where the instruction takes place (at the institution or high school), and who conducts the course (college instructor or certified high school teacher). Currently, dual enrollment costs are supported through the MFP Supplemental Course Allocation (SCA), Education Excellence Fund, and 8g allocations, other state and federal grant programs, as well as local revenues.

Public postsecondary education institutions may experience costs to create additional positions to facilitate a new billing process to accept microgrants for dual enrollment expenses. It is unclear to what extent the bill will impact the current process in which schools and districts coordinate with each campus to establish dual enrollment courses; institutions will need additional staff to the extent they are required to coordinate course registration and billing with students and parents on an individual basis. For illustrative purposes, LSU A&M, which currently has over 2,800 dual enrollment students, estimates it will require \$506,400 for five positions and other operating expenses to facilitate the receipt of funds through microgrant accounts. Personnel costs include one (1) Coordinator (\$70,000 salary and \$30,800 related benefits), two (2) Registrar positions (each \$60,000 salary and \$26,400 related benefits), and two (2) Bursar positions (each \$60,000 salary and \$26,400 related benefits), as well as \$20,000 in associated operating expenses. LSU also anticipates needing \$25,000 per year to partner with an outside organization to collaborate with students and parents, and to set up a collections process to collect the funds individually instead of from local schools or districts. Costs to institutions are indeterminable and will vary by the number of dual enrollment students served and whether they choose to participate in the Microgrant Program. Finally, costs may be reduced to the extent a portion of administrative functions are facilitated by the LDE or through its vendor; however, this is indeterminable at this time.

Postsecondary institutions may experience an increase in enrollment due to the proposed legislation, leading to additional instructional costs; however, the extent of any such increase in enrollment is indeterminable.

Senate Dual Referral Rules
[X] 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
[ ] 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
[X] 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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