

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 411** HLS 15RS 1283

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 28, 2015	3:11 PM	Author: JAMES
Dept./Agy.: Higher Education		Analyst: Charley Rome
Subject: Admission Standards Authority to Management Boards		

COLLEGES/ADMISSIONS OR SEE FISC NOTE GF EX Page 1 of 1
(Constitutional Amendment) Provides relative to the authority to set admission standards at public postsecondary education institutions

Present Constitution creates the Board of Regents to plan, coordinate, and have budgetary responsibility for all public postsecondary education and requires Regents to formulate a master plan which is to include a formula for equitable distribution of funds to colleges and universities. Proposed Constitutional amendments provides that the master plan shall not require nor shall the formula make the distribution of funds contingent on use of specific student admission standards. Present Constitution provides that powers of management over public colleges and universities not specifically vested in the Board of Regents are reserved to the management boards. Proposed Constitutional amendment provides that the authority to set admission standards is a power reserved to the management boards. Provides for submission of the proposed amendment to the voters at the statewide election to be held October 24, 2015.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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						

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.	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						

EXPENDITURE EXPLANATION

State instructional expenditures may increase if some students attend higher cost 4-year institutions instead of community colleges due to lowering of admissions standards at some 4-year schools as authorized by the proposed Constitutional amendment. There is no way to anticipate potential enrollment shifts from community colleges to 4-year schools and potential cost impacts without knowing the proposed changes in admissions standards that might be adopted by management boards. The bill is unlikely to have a material impact on TOPS expenditures because 4-year institutions at the lower end of admissions criteria in the state have admissions standards that are below those required to qualify for a TOPS academic award. However, TOPS expenditures could increase if higher cost 4-year institutions decreased their admissions standards to attract students from community colleges and lower cost 4-year schools. There is no way to determine the likelihood of this alternative scenario and the corresponding cost increases to the TOPS program.

The proposed constitutional amendment will be considered by voters at the statewide election to be held on October 24, 2015. The Secretary of State may incur minimal ballot printing costs associated with this measure. However, as a regular practice, the Secretary of State typically budgets for up to 10 constitutional amendments for the fall statewide elections.

REVENUE EXPLANATION

Overall student tuition/fees will likely increase at 4-year institutions and decrease at community colleges if management boards decrease admission standards at some 4-years schools and some students shift from community colleges to 4-year schools. There is no way to anticipate potential enrollment shifts from community colleges to 4-year schools and overall revenue impacts without knowing the proposed changes in admissions standards that might be adopted by management boards.

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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 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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