

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 209** SLS 17RS 366

Bill Text Version: **ENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 18, 2017	9:57 AM	Author: WALSWORTH
Dept./Agy.: Education		Analyst: Jodi Mauroner
Subject: Dual Enrollment		

CURRICULA

EG INCREASE LF EX See Note

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Provides for the Louisiana Early College Opportunity Act. (gov sig)

Proposed law requires the Board of Regents and the Board of Elementary and Secondary Education to enter into a statewide agreement governing articulation and transfer of college credits and defines the minimum expectations to be contained in the agreement. Requires the Board of Regents, management boards, and institutions, as applicable, to establish academic requirements for dual enrollment courses; establish maximum tuition charges for various delivery methods; and publish course information each semester. Prohibits an institution from charging a local education agency (LEA) tuition for courses conducted by an employee of the local education agency but allows charges for textbooks or materials, applying credits to transcripts and instructor training costs. Requires the Board of Elementary and Secondary to direct local education agencies to establish a process to identify and notify students of the availability of dual enrollment courses and provide access to such courses at no cost to the student. Requires annual reporting to the House and Senate Education Committees. Effective upon governor's signature.

EXPENDITURES	2017-18	2018-19	2019-20	2020-21	2021-22	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	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Annual Total						

REVENUES	2017-18	2018-19	2019-20	2020-21	2021-22	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

Local school districts' expenditures will increase significantly to the extent they will be required to expand dual enrollment opportunities for academic, remedial and career and technical education and will no longer be able to charge students for dual enrollment coursework.

Current law defines course providers as an entity offering instruction in person, or online, including education providers, institution of higher education, corporations that offer vocational and technical education coursework and which have been authorized by BESE to provide such courses. Districts and University agreements currently offer academic, remedial and developmental, and career and technical education dual enrollment coursework to students determined by district policy to be eligible to participate. 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). Students also enroll in supplemental course work provided by other BESE approved course providers. These agreements are entered into on an annual basis and while the proposed legislation is not expected to result in a significant change to these types of agreements, there could be indeterminable impacts to the specifics of future agreements. **See Revenue Explanation** for further details.

CONTINUED ON PAGE 2

REVENUE EXPLANATION

There will be changes in the amount of self-generated revenues collected by institutions of higher education to the extent the proposed legislation results in changes to the tuition currently assessed for dual enrollment students and the resulting impact to student enrollment.

Tuition rates vary across institutions and course offerings and while the proposed legislation requires management boards to establish maximum tuition charges for the various delivery methods, it does not require uniform charges for all institutions within or across systems. To the extent the tuition rates approved by the management boards deviate from the tuition currently assessed by institutions, there could be increases or decreases in revenues to institutions. However, the LFO cannot predict the extent to which institutions will revise current tuition rates, the impact on future enrollment, and the subsequent impact to institutions' self-generated revenues. Further, the bill prohibits an institution from charging tuition to a local education agency for courses taught by an employee of the LEA, but does allow for charges for textbooks and course materials, any costs associated with applying course credit to a public post secondary institution transcript, and any costs associated with instructor training. Reimbursement of such costs could generate additional revenues for an institution.

Senate
 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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Staff Director

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CONTINUED EXPLANATION from page one:

Currently dual enrollment costs are supported through the MFP Supplemental Course Allocation, Education Excellence Fund and 8g allocations, other state and federal grant programs, as well as local revenues. Students may also apply Tops Tech Early Start and Pell Pilot awards towards tuition. Finally, districts may require students to pay some or all of tuition charges for certain courses. Proposed legislation prohibits a local school district from charging students for dual enrollment courses. To the extent districts do not have sufficient resources to absorb the full cost of dual enrollment course offerings, access to those offerings may be reduced. Districts may be required to cap the number of credit hours which can be funded, either by limiting the number of students enrolled, or limiting the number of credit hours allowed per student, or both.

Note: The proposed legislation requires that districts identify students who are both academically prepared for college coursework as well as those who are not on track to be academically prepared; to notify each identified student of the availability of such coursework; and to provide access at no cost to the student. Currently districts use the authority granted to them under LA R.S. 17:4002.4 to identify students for participation, subject to the resources available to the district. If proposed legislation requires districts to offer dual enrollment participation to every student both academic and remedial/developmental, as well as career and technical education courses without the ability to limit participation based on available resources, there will be significant increases in local school district expenditures.

Per the FY 17 MFP Supplemental Course Allocation Funding there are a total of 298,484 students in grades 7 through 12 funded at a \$26 per student allocation for a total of \$7.7 M. Actual tuition costs for dual enrollment and developmental courses vary significantly depending upon the type of course and the course provider and can range from \$300 to \$800 for dual enrollment courses; as much as \$1,200 for ACT prep courses; and as much as \$2,800 per course for career and development coursework (welding, automotive technology). Average tuition charges by institutions of higher education range from \$100 to \$600.

Per a March 2017 report by the LA Department of Education (LDE) over 47,072 students across the state earned credits at both 4 Year (23,516 individuals) and 2 Year institutions (23,566) in the 2015-2016 school year. While 4,088 of these were enrolled in a career and technical education courses at 2 year institutions, the report does not otherwise identify how many of these courses were remedial and how many were academic. Assuming an average course cost of \$500 this equates to approximately \$14 M. Additionally, the report indicates 61% of Louisiana's high school graduates were in need of remedial math and 42% needed remedial English. If local districts were responsible for the full cost of providing remedial coursework for all of these estimated 42,000 graduates at an average course cost of \$500, costs could be as much as \$21.6 M. Participation in remedial course work would not necessarily preclude students from enrolling in other academic coursework. LDE report indicated that during the 2015-2016 school year 19,779 public school students attempted at least one TOPS aligned dual enrollment course; assuming an average per course cost of \$500 the total cost would equate to approximately \$10 M. This report does not include information on student enrollment with other BESE approved course providers for academic, remedial, or career education course work which could increase as a result of proposed legislation.

Proposed legislation directs the LDE to assist local districts in identifying state and federal funds which may be used to support student participation. However, to the extent funds identified are already in use to defray the cost of other instructional activities, the districts will have to discontinue or reduce those activities in order to apply funds to dual enrollment.

The LDE projects that there could be a savings to the TOPS program to the extent dual enrollment students enter college having already earned college credits which would reduce their time in the TOPS program. However, students entering with such coursework who complete less than 30 hours per year will not likely complete degree requirements (120 hrs) in fewer than 4 years (8 semesters of TOPS eligibility). Additionally, those students who do complete degree requirements in fewer than 4 years are eligible to apply any remaining TOPS eligibility to graduate level coursework, significantly minimizing any TOPS savings.

Senate

Dual Referral Rules

House

13.5.1 >= \$100,000 Annual Fiscal Cost {S&H}

6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}

13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H}

6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}

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