

**LEGISLATIVE FISCAL OFFICE
Fiscal Note**



Fiscal Note On: **HB 322** HLS 18RS 272
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

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Dept./Agy.: Higher Education	Analyst: Willis Brewer
Subject: Fee balance forgiveness	

STUDENT FEES OR DECREASE SG RV See Note Page 1 of 1
 Requires public postsecondary education management boards to establish policies for forgiveness of outstanding student fee balances of certain students who have resigned and seek reenrollment.
Present law establishes the policy of this state to aggressively pursue the collection of accounts or claims due and payable to the state through all reasonable means. All debts owed to the state shall be referred to either the attorney general's office or to the office of debt recovery for collection.

Proposed law requires each public postsecondary education management board to develop waiver policies for students with outstanding tuition and fees who withdraw from and reenroll in an institution. The proposed law is eligible to student at least 25 years old; that have withdrawn from an institution at least 3 years prior to seeking reenrollment; and are attempting to return to continue undergraduate coursework. Proposed law requires each board to notify the office of the attorney general to cease attempts at debt collection when a student's outstanding tuition and fees are waived.

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

The proposed legislation will have a nominal impact on state expenditures. There will likely be one-time costs involving system modifications and programming costs, however, these are anticipated to be absorbed with current resources and existing staff.

REVENUE EXPLANATION

Proposed legislation is anticipated to decrease self-generated revenues at public postsecondary institutions, the Attorney General (AG), and the Office of Debt Recovery (ODR) by an indeterminable amount as a result of waiving outstanding fees owed to the university. Proposed law is only applicable to students twenty-five (25) years of age or older that have withdrawn from an institution at least three years prior to seeking reenrollment.

At this time, not all the management boards could estimate the total amount that may be waived. The LSU System estimates \$3.3 M in outstanding student debt (3,800 students) could be eligible, Southern University System has approximately \$8 M in all student receivables, and the University of Louisiana System estimates \$2.9 M. Furthermore, this will reduce the revenues from the collection fees charged by the AG and ODR when collecting these institutions' outstanding student debt. However, it cannot be determined how many and when students will choose to come back to the same institution.

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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