

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 89** HLS 19RS 323

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 17, 2019	3:22 PM	Author: MCMAHEN
Dept./Agy.: Higher Education		Analyst: Ryan Guidry
Subject: Northwest LA Technical College		

COLLEGES/COMMUNITY AND OR INCREASE SG EX See Note Page 1 of 2
 Renames the Northwest La. Technical College as the Northwest Louisiana Technical Community College and provides for an expansion of its mission and educational program
Proposed law renames the Northwest LA Technical College as Northwest LA Technical Community College (Northwest LTCC).
Proposed law expands the mission of Northwest LTCC to include providing a comprehensive educational program and authorizes Northwest LTCC to grant certificates, diplomas, associate degrees, and associate transfer degrees.
Proposed law requires the Louisiana Community and Technical Colleges System (LCTCS) and the Board of Regents (BOR) to work closely with Northwest LTCC to ensure accreditation.

EXPENDITURES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
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						

REVENUES	2019-20	2020-21	2021-22	2022-23	2023-24	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>	\$0
Annual Total						

EXPENDITURE EXPLANATION

There will be an indeterminable increase in expenditures for the Northwest LTC to convert from a technical college to a technical community college.

The institution must apply to the Southern Association of Colleges and Schools Commission on Colleges (SACSCOC) for accreditation which includes application fees and multiple site visits paid for by the institution. The preliminary meetings will establish the accreditation requirements related to expanded course offerings which will necessitate infrastructure and facility upgrades, faculty and staff increases, and miscellaneous expenditures associated with the name change. At this time, specific expenditures are not available as Northwest LTC has not met with the Southern Association of Colleges and Schools (SACS) for preliminary accreditation discussions and many of the expenditures will be driven by accreditation requirements. Furthermore, a timeline for implementation of proposed law has not been provided, so the fiscal years in which expenditures will occur is unknown.

REVENUE EXPLANATION

There will be an indeterminable impact to SGR for Northwest LTC related to the expansion of course offerings and a potential increase in tuition. Additionally, there will be an indeterminable impact on the distribution of SGF between two-year postsecondary institutions through the higher education outcomes-based funding formula related to the change from a technical college to a community and technical college.

Proposed law may generate additional SGR due to increased tuition. While LCTCS indicates the board has statutory authority to provide for uniform tuition and fees between institutions and would raise the per credit hour tuition rate from \$91.75 to \$138.96 (from \$2,202 to \$3,305 annually for 12 hours per semester), statute also establishes a \$2,000 maximum on tuition and fees for the Louisiana Technical College, and adoption of the the community college per credit hour rate would put the Northwest LTCC tuition above the statutory cap. Therefore it is unclear if and when the \$47.21 (\$138.96 - \$91.75) per credit hour tuition rate increase would take effect, but in practice LCTCS has waited two years (2) before implementation of new tuition rates. For informational purposes, Northwest LTC provided 24,094 credit hours in academic year 2016-2017. Based on this figure, revenue could increase by \$1.14 M per year (\$47.21 * 24,094 credit hours) should LCTCS increase the per credit hour tuition rate.

REVENUE EXPLANATION CONTINUED ON PAGE 2

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

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CONTINUED EXPLANATION from page one:
REVENUE EXPLANATION CONTINUED FROM PAGE 1

Proposed law would expand the course offerings provided by Northwest LTC to include associates degree programs, but the specific offerings have not yet been determined by the LCTCS. To the extent the expanded course offerings result in increased enrollment at Northwest LTC, SGR will increase. However, to the extent the additional course offerings overlap with the course offerings of neighboring institutions, enrollment between institutions could shift.

Proposed law would have an indeterminable impact on the distribution of SGF through the higher education outcomes-based funding formula. For the purpose of determining funding allocations, each institution is weighted by the Southern Regional Education Board (SREB) institutional category to which it is assigned. As a technical college, Northwest LTC is assigned a lower weight; as a community technical college Northwest LTC will move to a category with higher weights. This change will have an indeterminable impact on the distribution of funding between institutions.

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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