



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 391** HLS 22RS 700
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 24, 2022 10:28 AM **Author:** BRYANT
Dept./Agy.: Higher Education **Analyst:** Tim Mathis
Subject: Tuition at Postsecondary Education Institutions

HIGHER EDUCATION RE DECREASE SG RV See Note Page 1 of 1
 Provides relative to tuition for certain nonresident postsecondary students

Present law provides for the powers and duties of public postsecondary management boards to establish tuition and fee amounts applicable to nonresident students attending institutions under their jurisdiction.

Proposed law requires nonresident students, who are children of graduates of any four-year public postsecondary institution in Louisiana, to be considered resident students at those institutions for purposes of determining tuition and fee amounts. Applies to all public four-year postsecondary institutions, including LSU at Eunice.

EXPENDITURES	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
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	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>	<u>2025-26</u>	<u>2026-27</u>	<u>5 -YEAR TOTAL</u>
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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

There is no anticipated direct material effect on governmental expenditures as a result of this measure. To the extent the SGR revenue loss is significant, institutions may require additional SGF appropriations in order to maintain instructional and other services as a result of non-resident students receiving the fee waiver.

REVENUE EXPLANATION

There will be decreased self-generated revenues (SGR) for four-year postsecondary institutions and LSU at Eunice to the extent the institution does not currently offer tuition and/or fee waivers for nonresident students who are children of graduates to be classified as resident students for purposes of determining tuition and mandatory fee amounts.

The University of Louisiana (UL) at Lafayette currently offers the Louisiana Legacy Scholarship to children whose parent or parents graduated from any regionally accredited Louisiana institution for an average cost of \$360,000 per year; therefore the proposed legislation will result in no impact. The Southern University of New Orleans estimates it will experience a \$100,000 SGR decrease as a result of the waiver. Other institutions report they are unable to determine potential costs as they do not have information on whether students are children of graduates; costs are indeterminable for those institutions.

The Louisiana State University (LSU) system is unable to estimate actual costs but expects such costs to be significant. LSU A&M currently offers nonresident students who are children of LSU graduates a waiver equal to 10% of the \$16,677 annual non-resident fee for a full-time undergraduate student, or \$1,667. By waiving the remaining 90% of the non-resident fee, or \$15,010 per year for an estimated 356 students, LSU A&M would experience a SGR decrease of \$5.3 M. Because the proposed legislation would apply to children of graduates from any Louisiana postsecondary institution, costs will be in excess of \$5.3 M but are indeterminable. For illustrative purposes, if roughly three times the number of students currently receiving a partial fee waiver qualify for the full waiver under the proposed legislation, the impact to LSU would be \$15.9 M.

The SGR impact in future fiscal years is indeterminable and will depend on institution fees and student enrollment patterns. To the extent the waiver results in more out-of-state students choosing to enroll at LA public postsecondary institutions than would otherwise occur, some institutions may experience increased SGR revenues; although the net impact is indeterminable it is not anticipated to offset the overall revenue loss associated with the waiver. For illustrative purposes, UL at Lafayette reports \$286,000 in tuition revenue for the students receiving the Louisiana Legacy Scholarship.

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

Evan Brasseaux
 Interim Deputy Fiscal Officer