



**LEGISLATIVE FISCAL OFFICE
Fiscal Note**

Fiscal Note On: **HB 167** HLS 23RS 261
 Bill Text Version: **REENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: May 23, 2023	12:29 PM	Author: COX
Dept./Agy.: Higher Education		Analyst: Chris Henry
Subject: Tuition and Fee Exemption for Disabled Veterans		

STUDENT/TUITION RE DECREASE SG RV See Note Page 1 of 1
 Provides for a tuition waiver for certain disabled veterans

Proposed law provides for the exemption of remaining tuition and fees owed to a public postsecondary institution after applying federal educational assistance from the Post-9/11 Veterans Educational Assistance Act of 2008 for a disabled veteran. Disabled veteran includes any Louisiana resident with a service-connected disability as determined by the U.S. Department of Veterans Affairs. The amount of the exemption will vary depending on the amount owed by the individual after payment for their federal benefit is made. The amount of federal benefits is based on the length of active duty time served, which qualifies them for differing levels of support ranging from 50% to 100%.

EXPENDITURES	2023-24	2024-25	2025-26	2026-27	2027-28	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	2023-24	2024-25	2025-26	2026-27	2027-28	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

There is no anticipated direct material effect on governmental expenditures as a result of this measure.

REVENUE EXPLANATION

The proposed law is anticipated to decrease SGR received by postsecondary institutions due to the exemption of tuition and mandatory fees owed by students who meet the qualifications in the proposed legislation. The amount of an individual's exemption corresponds to the maximum covered by their federal assistance which depends on the aggregate length of active duty service as seen in the table below:

At least 36 months	100%
Between 30 and up to 36 months	90%
Between 24 and up to 30 months	80%
Between 18 and up to 24 months	70%
Between 6 and up to 18 months	60%
Between 90 days and up to 6 months	50%

It is indeterminable exactly how many students would qualify for the exemption and the amount needed to shore up the difference between their federal benefits and remaining obligation. The extent to which each institution tracks its veteran students varies and many report not having data on disability status level.

The La. Department of Veteran's Affairs reports that in 2021 an estimated 1,100 veterans qualified for and used Post-9/11 GI educational benefits, but did not qualify to have the full 100% tuition and mandatory fees waived.

For illustrative purposes, using the average combined annual tuition and mandatory fees at a public four-year institution at \$8,839 and at a two-year at \$4,254. Estimating 1,000 veteran students with a service connected disability who served 24 -30 months and that half attend a 4-year and half attend a 2-year, results in a revenue decrease of \$1.3 M. Similar to other statutory tuition and fee exemptions, institutions will be required to absorb the decrease in SGR and associated costs of educating these students.

<u>Senate</u>	<u>Dual Referral Rules</u>	<u>House</u>
<input 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}

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