

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 433** HLS 14RS 1166

Bill Text Version: **ENROLLED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: May 5, 2014	9:34 AM	Author: CARTER
Dept./Agy.: Higher Education/Board of Regents		Analyst: Charley Rome
Subject: Interstate Reciprocity Agreements for Online Instruction		

HIGHER ED/BD REGENTS

EN INCREASE SG RV See Note

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Authorizes the Board of Regents to enter into interstate reciprocity agreements relative to online instruction

Proposed law authorizes the Board of Regents to enter into state authorization reciprocity agreements that allow proprietary schools and accredited academic degree-granting institutions located in one state to offer online instruction in other states pursuant to the terms of the reciprocity agreement. The bill also allows institutions or proprietary schools located in La. to apply to the Board of Regents for authorization to offer online instruction in other states pursuant to the terms of such agreements. The legislation requires annual reapplication and authorizes Regents to assess an application fee of up to \$1,500. Any accredited postsecondary academic degree-granting institution approved by another state and offering online instruction to Louisiana residents shall be exempt from licensure and other requirements in L.R.S. 17:1808, subject to the terms of reciprocity agreements. Accredited, degree-granting proprietary schools approved by another state and offering online instruction to Louisiana residents shall be exempt from licensure and other legal requirements for proprietary schools, subject to the terms of reciprocity agreements. Effective upon governor's signature.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	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>	<u>\$0</u>
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

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

REVENUE EXPLANATION

Self-generated revenues will increase by indeterminable amounts in FY 2014-15 and thereafter. The bill authorizes the Board of Regents to collect an annual registration fee of up to \$1,500 from each institution seeking an interstate reciprocity agreements for online instruction. The Board of Regents is unable to estimate how many applications might be received. As such, there is no way to estimate how much revenue might be collected from the annual registration fees.

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|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input 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