

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 247** SLS 15RS 558

Bill Text Version: **REENGROSSED**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: June 3, 2015	3:30 PM	Author: SMITH, J.
Dept./Agy.: Higher Education		
Subject: In-State Tuition/Fees for Veterans/Qualified Dependents		Analyst: Charley Rome

VETERANS RE DECREASE SG RV See Note Page 1 of 1
Provides for in-state tuition and fee rates for veterans and qualified dependents enrolling in public postsecondary educational institutions. (gov sig)

Present law, provides that members of the armed forces stationed in La. on active duty and their dependents shall be entitled to resident classification for tuition amount purposes at public postsecondary education institutions, without regard to length of time of residency in the state if they meet at least one of the following conditions: (1) Has served on active duty for a continuous period of no less than two years, and received an Honorable Discharge within one year of enrolling in a La. public college or university. (2) Is currently serving in a Reserve Component of the U.S. Armed Forces. (3) Has been assigned a service-connected disability by the U.S. Dept. of Veterans Affairs. Proposed law instead provides that any "covered individual" as defined in 38 U.S.C. 3679, as amended by the federal Veterans Access, Choice, and Accountability Act of 2014, shall be classified as a resident for tuition purposes and shall qualify for resident tuition and fees at every Louisiana public institution of postsecondary education, as allowed by federal and state law, including the Constitution of Louisiana. Effective January 1, 2016.

EXPENDITURES	2015-16	2016-17	2017-18	2018-19	2019-20	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>	<u>\$0</u>
Annual Total						

REVENUES	2015-16	2016-17	2017-18	2018-19	2019-20	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>	<u>\$0</u>
Annual Total						

EXPENDITURE EXPLANATION

Expenditures from state general fund (subject to legislative appropriation) and self-generated revenues from resident tuition and fees may increase because the proposed legislation may encourage some veterans and their dependents (not currently in school) to pursue educational opportunities in the state. The additional expenditures would fund faculty and related costs supporting new veteran student and their student dependents. The expenditure increase could be small if the number of students is small because students could fill existing openings in current course offerings. However, costs will increase if the number of students is significant and institutions need to add faculty and expand course offerings to support the additional student load. There is no way to estimate how many veterans and their dependents (not currently in school) might pursue educational opportunities due to waiving of nonresident tuition and fees as required by the proposed legislation. The bill's effective date is January 1, 2016 and will affect students beginning in the Spring 2016 term. As such, the FY16 impact will be approximately half of the full impact in FY17 and thereafter due to the bill only affecting the second half of FY16.

REVENUE EXPLANATION

Self-generated revenues from nonresident tuition and fees will decrease by unknown amounts in FY16 and thereafter due to the proposed legislation. Federal law (38 U.S.C 3679) defines a "covered individual" as a veteran within three years from discharge from the military, irrespective of the veteran's current state of residence, if the veteran is living in the state in which the institution is located while pursuing that course of education. The Louisiana Department of Veteran Affairs (Veteran Affairs) conducted a survey in the Fall of 2014 of the number of veterans and their dependents in the state who were charged nonresident tuition and fees. The survey from Veterans Affairs found 308 veterans and their dependents paid approximately \$2.3M in nonresident tuition and fees in the Fall 2014 semester. This amount would be approximately \$4.6M annually based on two semester per year, excluding summer and intersession terms. The bill's effective date is January 1, 2016 and will affect students beginning in the Spring 2016 term. As such, the FY16 impact will be approximately half (\$2.3M) of the full impact in FY17 and thereafter (\$4.6M) due to the bill only affecting the second half of FY16.

Reductions in self-generated revenues described above due to waiving nonresident fees for current veterans and their dependents may be somewhat offset by increases in resident tuition and fees because the proposed legislation may encourage some veterans and their dependents (not currently in school) to pursue educational opportunities in the state. There is no way to estimate how many veterans and their dependents (not currently in school) might pursue educational opportunities due to waiving of nonresident tuition and fees as required by the proposed legislation.

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| <input type="checkbox"/> Senate | <input type="checkbox"/> Dual Referral Rules | <input type="checkbox"/> House | <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 Rev. Red. to State {H & S} | | |
| <input checked="" type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | <input checked="" type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} | | |

Evan Brasseaux
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