

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 61** HLS 15RS 443

Bill Text Version: **RE-REENGROSSED**

Opp. Chamb. Action: **w/ SEN COMM AMD**

Proposed Amd.:

Sub. Bill For.:

Date: June 5, 2015	2:03 PM	Author: CARMODY
Dept./Agy.: Higher Education		Analyst: Charley Rome
Subject: Exempts Tuition/Fees Increases from 2/3 Vote		

STUDENT/TUITION RR1 SEE FISC NOTE SG RV See Note Page 1 of 1
(Constitutional Amendment) Exempts public postsecondary education tuition and fees from requirements for imposing a new or increasing an existing fee and provides relative to the authority to set tuition and fees

Present constitution requires that all new fees or increases of existing fees imposed by the state or any board, department, or agency of the state be enacted by a two-thirds vote of the legislature. This provision of present constitution applies to tuition and fees charged to students attending public institutions of postsecondary education. Proposed constitutional amendment exempts new or increased tuition and fees charged to students attending public institutions of postsecondary education from the two-thirds voting requirement of the legislature. Present constitution provides for the management of public institutions of postsecondary education by four management boards. Proposed constitutional amendment retains the general authority of these management boards, but specifically excludes from their constitutional authority the ability to establish or raise tuition and fees and, instead, provides that such authority is as provided in law. Provides for submission of the proposed amendment to the voters at the statewide election on Oct. 24, 2015 provided that SB 48 of this 2015 Regular Session becomes law. If ratified by the electors, the provisions of the amendments become effective on Jan. 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.	\$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	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.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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

The proposed constitutional amendment is contingent upon the passage of SB 48 (Enrolled on 6/4/15, not signed by Governor as of 6/5/15). If SB 48 is signed by the Governor, there will likely be a reduction in the growth of state general fund expenditures for TOPS awards in FY17 and thereafter because the SB 48 maintains TOPS awards per student to amounts awarded in FY16. The proposed reduction in the growth of TOPS expenditures in FY17 and thereafter due to SB 48 assumes there will be tuition increases in FY17 and thereafter. However, there will be no impact on TOPS expenditures if there are no tuition increases in FY17 and thereafter. The bill also authorizes the legislature to increase TOPS award amounts in any year. SB 48 should have no impact on normal growth in the number of students participating in the TOPS program. Separate from SB 48, this constitutional amendment itself does not directly affect tuition and mandatory fees at higher education institutions, it simply removes the 2/3 vote requirement for passage of tuition/fee authority provided in law. As such, this constitutional amendment alone should not affect TOPS costs. This instrument was previously tied to HB 66 (failed to pass House Floor) that would have established specific authorities for tuition and fees in statute. Without HB 66, the Legislative Fiscal Office is unaware of authority by higher education management boards to establish or raise tuition and fees in current statutes. However, the Legislative Fiscal Office has not conducted a comprehensive review of Title 17 to ascertain if any existing law could be used by management boards to raise tuition and fees without Legislative approval per this proposed constitutional amendment.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure. This constitutional amendment itself does not directly affect tuition and mandatory fees at higher education institutions, it simply removes the 2/3 vote requirement for passage of tuition/fee authority provided in law. This constitutional amendment was previously tied to HB 66 (failed to pass House Floor) that would have established specific authorities for tuition and fees in statute. Without HB 66, the Legislative Fiscal Office is unaware of authority by higher education management boards to establish or raise tuition and fees in current statutes. However, the Legislative Fiscal Office has not conducted a comprehensive review of Title 17 to ascertain if any existing law could be used by management boards to raise tuition and fees without Legislative approval per this proposed constitutional amendment.

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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 Rev. Red. to State {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