

**LEGISLATIVE FISCAL OFFICE**  
**Fiscal Note**



Fiscal Note On: **HB 222** HLS 14RS 279  
 Bill Text Version: **ORIGINAL**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> April 21, 2014 7:23 PM	<b>Author:</b> LEGER
<b>Dept./Agy.:</b> Higher Education	<b>Analyst:</b> Charley Rome
<b>Subject:</b> Prohibits Supplanting of SGF with Tuition/Fee Increases	

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(Constitutional Amendment) Prohibits the supplanting of state funds for tuition and fee increases for institutions of higher education

Proposed constitutional amendment provides that in any fiscal year in which the fees and self-generated revenues appropriated for higher education from tuition and mandatory fee amounts are greater than the appropriation of such funds in the prior fiscal year, the additional fees and self-generated revenues shall not displace, replace, or supplant the amount appropriated for higher education from the state general fund and dedicated funds.

<b>EXPENDITURES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

<b>REVENUES</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

The proposed Constitutional amendment is unlikely to have a significant effect on governmental expenditures. Higher education budgets over the last few years have included explicit means of finance substitutions (MOF swaps) of SGF with anticipated increases in tuition and mandatory fees at public colleges and universities due to the LA GRAD Act. The proposed Constitutional amendment would prohibit such explicit MOF swaps that replace SGF or dedicated funds for higher education with anticipated increases in self-generated revenues from tuition and mandatory fees.

Furthermore, tuition and mandatory fees may increase from one year to the next due to enrollment increases and not necessarily from increases in such fees per student. To the extent there are statewide reductions in SGF, it may not be evident that increases in tuition and mandatory fees are being used to supplant or replace SGF for higher education. Therefore, it is unlikely that the proposed Constitutional amendment would prohibit reductions in funding from SGF or dedicated funds for higher education institutions if such reductions were not directly tied to corresponding increases in self-generated revenues from tuition and mandatory fees.

There will be no impact on expenditures for the Secretary of State from the proposed Constitutional amendment. The proposed bill provides that the constitutional amendment be submitted to voters at the November 4, 2014 election. The November 4, 2014 election is a statewide election, when all precincts in the state are scheduled to be opened. As a regular practice, the Secretary of State budgets for up to 10 constitutional amendments for the fall statewide elections.

**REVENUE EXPLANATION**

There is no anticipated direct material effect on governmental revenues as a result of this measure. The proposed Constitutional amendment's requirements only apply in fiscal years in which fees and self-generated revenues appropriated for higher education from tuition and mandatory fee amounts are greater than such appropriations from the prior fiscal year.

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|---|----------------------------|--|---|
| Senate  | <u>Dual Referral Rules</u> | 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 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} |   |

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