

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6401

BILL NUMBER: HB 1218

NOTE PREPARED: Jan 8, 2011

BILL AMENDED:

SUBJECT: State Educational Institutions.

FIRST AUTHOR: Rep. Culver

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: *Dual Credit Offerings:* This bill requires each high school to offer a number of dual credit and advanced placement courses sufficient to allow a student who qualifies to enroll in the courses to complete at least: (1) one year of college credit after June 30, 2013; and (2) two years of college credit after June 30, 2015.

Tuition and Fees: The bill provides that a state educational institution may not charge or collect a fee for an activity or a service that a student does not use.

College Professors: The bill requires a professor who is employed by a state educational institution to teach at least two classes each academic year. It also provides that a professor or other instructor in a state educational institution must be able to speak English in a manner that is clearly understood by students.

Courses: The bill requires each state educational institution to ensure that the courses required for a single major are offered in such a manner that an undergraduate student is able to complete a single major in not more than four fall and four spring semesters. It also requires each state educational institution to train individuals who counsel students in course selection in methods of determining the course requirements for each undergraduate major.

Transfer Credits: The bill requires a state educational institution to accept as transfer credits any course successfully completed by a student at another state educational institution.

Dual Credit Fees: The bill provides that a state educational institution may charge a high school student tuition for a dual credit or postsecondary credit course only if the course is taught by an employee of the state

educational institution. It provides that if a high school student is entitled to receive postsecondary credit for a course taken from a state educational institution, another state educational institution must accept the credit as transfer credit.

Repealers: The bill repeals sections concerning the core transfer library and articulation agreements between state educational institutions, and makes corresponding changes to related sections.

Effective Date: July 1, 2011.

Explanation of State Expenditures: *Dual Credit Offerings:* State educational institutions could incur additional expenses depending on the services provided to local schools and the tuition the state educational institution might be allowed to charge. There are about 370 public high schools in Indiana. At a minimum about 11,100 credit hours of dual credit courses, about 3,700 courses, would have to be offered after June 30, 2013, and 22,200 credit hours, or 7,400 courses, after June 30, 2015. Currently, only about 740 courses have to be offered. The increase in the number of courses is about 15 times as many courses than is currently required. Universities could have a significant cost in approving and monitoring the high school classes for college credit. As an example, if the cost to approve and monitor a course at the high school level was \$1,000, then the university cost would be about \$3.7 M in 2013 and \$7.4 M in 2015. The cost might be offset by increased revenue from fees.

College Professors: The requirement that professors have to teach at least two college courses could decrease the expenses of state educational institutions if fewer professors were required to teach academic courses.

Courses: Some academic programs, like pharmacy programs, typically require five years to complete. The bill could increase expenses for state educational institutions if additional courses had to be offered so that an undergraduate student is able to complete a single major in four fall and four spring semesters. The impact would probably be minor for students who do advanced planning of courses they might need and if they did not change majors.

Explanation of State Revenues: *Tuition and Fees:* The provision would reduce revenue to state educational institutions, depending on the services a student chooses not to use. Most state educational institutions charge technology, health, and activity fees. The mandatory fees vary between universities, but they could be up to about \$450 per semester. There are about 200,000 students attending state educational institutions. For each \$100 that students choose to reduce their fees, state educational institutions would receive about \$20 M less in revenue.

College Professors: The provision that professors have to teach at least two college courses could reduce research revenue for the university.

Transfer Credits: Requiring a state educational institution to accept as transfer credits any course successfully completed by a student at another state educational institution could reduce tuition revenue for that state educational institution if the student had to take fewer courses at the university to graduate. The decrease in revenue could be offset by a decrease in expenditures since students would be taking fewer classes. Currently, a state educational institution has to accept a transfer course if it is part of the Common Core Library, but it might not count as a required course in a particular major. The cost of tuition and fees among state educational institutions varies from \$3,100 to \$9,100 per year.

Dual Credit Fees: The provision that allows a state educational institution to charge a high school student

tuition for a dual credit or postsecondary credit course only if the course is taught by an employee of the state educational institution could reduce revenue to the state educational institution. Universities cannot charge tuition for students eligible for free or reduced lunch. The tuition charged by universities for other students for concurrent enrollment courses varies from nothing at Ivy Tech Community College to \$89 per credit hour. The cost is below the tuition charged for a full-tuition student, which ranges from \$132 to \$263 per credit hour. The amount of the loss is unknown.

Explanation of Local Expenditures: *Dual Credit Offerings:* Schools could incur additional expenses associated with the offering of the number of courses for a student to earn one year of college credit after June 30, 2013, and two years of college credit after June 30, 2015. About 30 hours of college credit courses are needed for each year of college credit. That would equate to at least 10 to 20 college credit courses that would have to be offered. The teachers are normally required to have at least a masters degree and some additional training or supervision by the college offering the course. Depending on the size of the school, schools might have trouble offering the additional required classes. About 46% of high school graduates enter college, so it is estimated that at most 46% of high school students would be interested in taking the classes. Also, the size for high school classes varies from a 12th grade class of less than 20 students to one of more than 1,000 students. The bill might require schools to offer courses for a small number of students thereby increasing their cost per student significantly. The courses could also be offered virtually which might reduce the costs. The increase in expense could also be offset if some current courses that are currently available were not offered. *As an example:* If 20% of the junior and senior students took advantage of the ability to earn the college credits and the additional cost above the current approximately \$5,819 per student for funding regular students is \$300 per student, the additional cost would be \$9 M per year.

Background: The Indiana Concurrent Enrollment Partnership established by the 2008 General Assembly has collected information on concurrent enrollment. Based on data they have collected, about 32,000 students were taking concurrent enrollment classes at 312 high schools and public and private colleges. There was a maximum of about 166 high schools who were not offering classes. The partnership estimates that about 17,100 additional students in the 166 high schools might take concurrent enrollment classes.

The Department of Education has also begun collecting information on students taking dual credit classes. In the 2008-2009 school year, 119 school corporations reported having 8,984 students taking dual credit classes. The majority of the students taking dual credit classes were juniors (3,003 students) and seniors (4,745 students).

Public schools count students taking concurrent enrollment classes in the ADM count for the school formula, and universities could receive funding from enrollment growth and tuition charged to students.

Universities cannot charge tuition for students eligible for free or reduced lunch. The tuition charged by universities for other students for concurrent enrollment courses varies from nothing at Ivy Tech Community College to \$89 per credit hour. The cost is below the tuition charged for a full-tuition student, which ranges from \$132 to \$263 per credit hour.

Explanation of Local Revenues:

State Agencies Affected: State educational institutions; Commission for Higher Education; Department of Education.

Local Agencies Affected: Local schools.

Information Sources: Department of Education databases.

Fiscal Analyst: Chuck Mayfield, 317-232-4825.