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## LOUISIANA COMMUNITY & TECHNICAL COLLEGE SYSTEM

**TO:** Dr. Monty Sullivan  
LCTCS President

**THROUGH:** Joseph F. Marin  
Chief Operations Officer

**FROM:** Joel Watkins  
Director of Budget and Planning

**DATE:** March 27, 2020

**RE:** Elimination of Non-Resident Fee

APPROVED

stu 6/10/2020  
LCTCS BOARD OF SUPERVISORS

### FOR BOARD ACTION

**Recommendation:** Staff recommends that the Board eliminate the assessment of the non-resident fee by LCTCS colleges effective with the fall 2020 academic semester.

**Background:** LCTCS colleges currently assess a non-resident fee to students who do not meet resident status. In the 1990's state funding for colleges and universities was nearing seventy to eighty percent of their total budgets. Given the large reliance on state funding for higher education, there was a push by the legislature to have non-resident students pay tuition and fees at the Southern Regional Education Board (SREB) rate to help offset associated instructional expenditures created at colleges and universities. Consequently, Act 1458 of the 1997 Regular Legislative session authorized, although did not mandate, higher education management boards to enact non-resident fees at the SREB rate. Later, Act 741 of the 2010 Regular Legislative Session (GRAD Act) mandated that college and university non-resident tuition and fees be at the SREB average in response to participating in autonomies granted by the act. This action doubled the cost of attendance for non-resident students at LCTCS colleges from a little over four thousand to eight thousand dollars annually. However, with the transition of the higher education business model away from state funding to more of a reliance on self-generated revenues, Act 455 of 2016 gave higher education management boards the authority to set non-resident tuition and fees for colleges under their supervision and eliminated any requirement for non-resident fee rates to be tied to the SREB average.

Additionally, with regional economies extending beyond state boundaries, non-resident fees are often more of a hinderance to a college's health than a benefit. Many LCTCS college campuses are located close to state borders and reciprocal agreements between communities have become the norm. In some cases, it is less expensive for Louisiana residents to attend community colleges in neighboring states. And lastly, the growth in online education makes the need for non-resident fees obsolete.

**Fiscal Impact:** LCTCS colleges currently generate \$3.2 million annually from non-resident fees whose loss may be mitigated or possibly nullified by increases in student enrollment or in credit hour production due to students not having to pay the fee.

**History of Prior Actions:** The Board approved a six-year phased in increase to the SREB average at the February 2011 meeting.

**Benefits to the System:** The elimination of non-resident fees will make it easier for colleges to compete for students across state lines in providing a trained workforce for the state and regional workforce economies.



Approved for Recommendation to the Board  
Dr. Monty Sullivan, President

6-10-2020  
Date






# Non Resident Fee Elimination

Final Audit Report

2020-05-25

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