

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **HB 395** HLS 25RS 849
 Bill Text Version: **ORIGINAL**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: April 18, 2025 11:55 AM	Author: BRASS
Dept./Agy.: Higher Education	Analyst: Tanesha Morgan
Subject: M.J. Foster Promise Program	

HIGHER EDUCATION OR +\$12,577,62 SD EX See Note Page 1 of 1
 Expands eligible programs for M.J. Foster Promise Program funding to include those associated with LED projects

Proposed law modifies the M.J. Foster Promise Award Program. Proposed law eliminates the existing income and employment status eligibility requirements. Present law established an advisory council to identify qualified programs. Proposed law requires this council to evaluate programs related to Louisiana Economic Development (LED) projects and give them priority consideration. Proposed law implements a 45-day review process for workforce needs associated with LED projects. Present law requires the council to meet annually for program updates and every three years to review workforce priorities. Proposed law adds meetings as needed for LED project considerations. Proposed law assigns new responsibilities to the LED secretary, including maintaining a priority programs list, notifying council members of new LED projects requiring workforce development, and delivering annual reports on program effectiveness in meeting economic development objectives.

EXPENDITURES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	\$1,257,762	\$2,515,524	\$3,773,286	\$3,773,286	\$3,773,286	\$15,093,144
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$1,257,762	\$2,515,524	\$3,773,286	\$3,773,286	\$3,773,286	\$15,093,144

REVENUES	2025-26	2026-27	2027-28	2028-29	2029-30	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
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	\$0	\$0	\$0	\$0	\$0	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

Proposed law is anticipated to increase Statutory Dedication expenditures out of the M.J. Foster Promise Program Fund by a minimum of approximately \$1.3 M in FY 26 and annualized in future fiscal years associated with additional M.J. Foster Promise awards. The Board of Regents indicated that 561 students in FY 25 were ineligible for the M.J. Foster Promise award due to failure to meet the need-based eligibility requirement. To the extent that this trend continues in future fiscal years, 561 students per year would be eligible for an award under proposed law that were not eligible under current law.

The total number of students receiving the award grows each year until there are 3 cohorts of 561 students, for a total of 1,683 students in FY 28 and beyond. Based on an average award amount of \$2,242 per student and with a lifetime cap of \$6,400 over three years, the total payment is projected as follows:

	Number of Students	Total Expenditures
FY 26	561	\$1,257,762
FY 27	1,122	\$2,515,524
FY 28 and beyond	1,683	\$3,773,286

Note: The projection is based on only one year of available data, which represents a limited sample. Future years may show different patterns of ineligibility under the current requirements. Additionally, the removal of need-based eligibility requirements may result in significantly more applications than the projected 561 additional students per year. The awareness that financial need is no longer a qualifying factor could encourage many more individuals to apply who previously assumed they would not qualify, potentially causing a larger fiscal impact than currently projected.

Note: Deposits into the M.J. Foster Promise Program Fund are from any source, including private business, industry, foundations, and other groups, as well as any available federal or other governmental funding. State appropriations for the program shall not exceed \$40 million per year for students enrolled in public postsecondary education institutions and proprietary schools. As of 2/11/25, the balance of the fund is \$7.6 M.

REVENUE EXPLANATION

There is no anticipated direct material effect on governmental revenues as a result of this measure.

Senate
 13.5.1 >= \$100,000 Annual Fiscal Cost {S & H}
 13.5.2 >= \$500,000 Annual Tax or Fee Change {S & H}

House
 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S}
 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}


Patrice Thomas
Deputy Fiscal Officer