

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 394** SLS 18RS 648
 Bill Text Version: **ENGROSSED**
 Opp. Chamb. Action:
 Proposed Amd.:
 Sub. Bill For.:

Date: March 28, 2018 5:56 PM	Author: WHITE
Dept./Agy.: Higher Education/LOSFA	Analyst: Willis Brewer
Subject: Creates the TOPS-Tech 2Plus2 Award	

Creates the TOPS-Tech 2Plus2 Award. (gov sig)

Proposed law provides for a new award called the TOPS-Tech 2Plus2 Award and recipients of the TOPS-Tech 2Plus2 Award must meet all requirements for the TOPS-Tech award and must have graduated from high school during or after FY 22, accepted his TOPS-Tech Award, earned an academic associate's degree in an eligible TOPS-Tech program within two academic years of accepting the award and enrolling in an eligible institution, maintained a cumulative grade point average of 3.20 each academic year, enrolled in a baccalaureate program at a TOPS eligible four-year institution, not later than the semester, excluding summer semesters and sessions, immediately following the first anniversary of the date the student graduated from the eligible academic associate's degree program. Proposed law provides that to maintain eligibility for the award, a student must make steady academic progress toward a degree, maintain a cumulative grade point average 2.50 on a 4.0 scale, maintain continuous enrollment, have no criminal conviction, have received an honorable discharge or general discharge if served in the United States Armed Forces and separated from such service. Effective upon signature of

EXPENDITURES	2018-19	2019-20	2020-21	2021-22	2022-23	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

REVENUES	2018-19	2019-20	2020-21	2021-22	2022-23	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	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	\$0
Annual Total	\$0	\$0	\$0	\$0	\$0	\$0

EXPENDITURE EXPLANATION

The proposed legislation will have a significant impact on state expenditures beginning in FY 25, which is outside the fiscal note's five-year projection. This measure is applicable to high school graduates during or after FY 22 that received an associate's degree in a TOPS-Tech program within two years with a cumulative grade point average (GPA) of 3.20 and are enrolled in a baccalaureate program at TOPS eligible four-year institution within one year from the student's associate degree receipt. It is possible students could achieve an associate degree that requires 60 credit hours as early as spring 2024 (FY 24) assuming the student takes 18 credit hours per semester and nine in the summer (18+18+18+9=63), or the student attained college credit hours while in high school. Therefore, there could be additional costs as early as FY 24 for the students that are able to achieve sixty credit hours within two years. However, it is anticipated the majority of the costs will be incurred beginning in FY 25.

Based on the number of high school graduates from FY 12 - FY 15, there have been approximately 4,861 TOPS Tech recipients; 79 of these students (1.6%) earned an Associate's degree within 2 years with a 3.2 GPA.

For this time period, the average annual number of eligible students for the TOPS-Tech 2Plus2 award is 20. Using the FY 18 TOPS opportunity award amount (\$5,399), the estimated annual cost in FY 25 is approximately \$108,000. Beginning in FY 26, there will be two sets of students (the second year of FY 25 and a new group) for a total of 40 eligible students and an estimated annual cost of \$216,000. It is reasonable to assume that student behavior is likely to change over the course of the next several years and the number of eligible students may increase, but it cannot be estimated at this time.

REVENUE EXPLANATION

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

Senate Dual Referral Rules
 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}

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