

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



Fiscal Note On: **SB 203** SLS 19RS 423  
 Bill Text Version: **ENROLLED**  
 Opp. Chamb. Action:  
 Proposed Amd.:  
 Sub. Bill For.:

<b>Date:</b> June 10, 2019 8:42 AM	<b>Author:</b> WALSWORTH
<b>Dept./Agy.:</b> Office of Student Financial Assistance (OSFA)	<b>Analyst:</b> Ryan Guidry
<b>Subject:</b> GO-Youth Challenge Program	

POSTSECONDARY ED EN INCREASE SD EX See Note Page 1 of 2  
 Provides with respect to student financial assistance. (8/1/19)

Proposed law expands the use of GO-Youth Challenge grants to include pursuit of a diploma or undergraduate degree required for a high-demand, high-skill, high-wage career; expands eligibility for the GO-Youth Challenge grant program to graduates of the LA National Guard's Youth Challenge Program (YCP) who attain a Board of Elementary and Secondary Education (BESE) issued diploma; and permits the Office of Student Financial Assistance (OSFA), beginning with the 2020 -2021 award year, to adopt by administrative rule an earlier or later enrollment date for the GO-Youth Challenge program.

EXPENDITURES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>						
REVENUES	<u>2019-20</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>5 -YEAR TOTAL</u>
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
<b>Annual Total</b>	\$0	\$0	\$0	\$0	\$0	\$0

**EXPENDITURE EXPLANATION**

There will be an indeterminable increase for the Office of Student Financial Assistance (OSFA) from the statutorily dedicated Higher Education Initiatives Fund related to expanded eligibility for the GO-Youth Challenge program and a one-time implementation cost of \$3,312 SGF for OSFA related to rule promulgation. Additionally, proposed law may increase expenditures due to the expanded use of Go-Youth Challenge grants at four-year institutions which have higher tuition costs and the potential increase in the number of awards granted related to the permissive authority allowing OSFA to change the enrollment date by administrative rule.

Present law provides for the GO-Youth Challenge program, administered by OSFA, to award a grant amount to equal the amount of tuition for qualified students enrolled on a full-time basis in a Louisiana post-secondary institute to pursue a skill or occupational training. Qualifications include graduation from the LA National Guard Youth Challenge Program (YCP), attainment of a general education diploma, and enrollment in an eligible post-secondary institution no later than the semester, excluding the summer semester, following the first anniversary of the student's YCP graduation date. In FY 19, the GO-Youth Challenge program received its first funding since FY 06 in the amount of \$200,000 from the Higher Education Initiatives Fund via a transfer from SGF. Under present law, eleven (11) students have received grants in FY 19 totaling \$17,426. The unexpended balance will remain in the fund and will be available for payment of GO-Youth Challenge grants until all funding is depleted.

Proposed law would expand GO-Youth Challenge program eligibility to include attainment of a diploma issued by the Board of Elementary and Secondary Education (BESE) or its equivalent, resulting in an increase in the number of students who will become eligible for the GO-Youth Challenge grant award. YCP has recently become a BESE certified provider of Course Choice/Credit Recovery which provides cadets the opportunity to catch up with their original high school cohort in an effort to attain a high school diploma. Proposed law would expand eligibility to these cadets. Additionally, proposed law would allow GO Youth Challenge program grants to be expended at four-year postsecondary institutions which have higher tuition costs. The LA Department of Military Affairs (LMD) estimates proposed law would extend GO-Youth Challenge grant eligibility to approximately 30 additional students per year. However, whether or not these additional students will matriculate to a qualified post-secondary institution is unknown and since the amount of each grant award may vary, the total increase is indeterminable. To the extent that the number of GO-Youth Challenge grants awarded increases or students elect to attend institutions with higher tuition costs as a result of proposed law, expenditures will increase.

**EXPENDITURE EXPLANATION CONTINUED ON PAGE 2**

**REVENUE EXPLANATION**

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

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| <p><u>Senate</u></p> <p><input checked="" type="checkbox"/> 13.5.1 &gt;= \$100,000 Annual Fiscal Cost {S &amp; H}</p> <p><input type="checkbox"/> 13.5.2 &gt;= \$500,000 Annual Tax or Fee Change {S &amp; H}</p> | <p><u>House</u></p> <p><input type="checkbox"/> 6.8(F)(1) &gt;= \$100,000 SGF Fiscal Cost {H &amp; S}</p> <p><input type="checkbox"/> 6.8(G) &gt;= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S}</p> |  |
|---|--|--|

*Evan Brasseaux*  
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**Staff Director**

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**CONTINUED EXPLANATION from page one:**

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**EXPENDITURE EXPLANATION CONTINUED FROM PAGE 2**

GO-Youth Challenge program awards are dependent upon the availability of funding and are subject to appropriation. The FY 19 appropriation of \$200,000 from the statutorily dedicated Higher Education Initiatives Fund was funded via a direct transfer from SGF. The Higher Education Initiatives Fund does not have a recurring revenue source. To the extent expenditures from the GO-Youth Challenge program exceed funding available from the Higher Education Initiatives Fund, additional funding (presumed to be SGF) will be required.

Furthermore, proposed law permits OSFA, beginning with the 2020-2021 award year, to adopt by administrative rule an earlier or later enrollment date for both the GO-Youth Challenge program. OSFA indicates promulgation of the required rules will require one-time SGF expenditures of \$3,312. To the extent OSFA adopts a later enrollment date, the number of students eligible for GO-Youth Challenge grants could increase and result in increased annual costs for the program.

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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