

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



Fiscal Note On: **HB 536** HLS 22RS 613

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 11, 2022 1:53 PM	<b>Author:</b> COX
<b>Dept./Agy.:</b> Office of Student Financial Assistance (OSFA)	<b>Analyst:</b> Tim Mathis
<b>Subject:</b> Eligibility for TOPS Tech Award	

TOPS OR INCREASE GF EX See Note Page 1 of 1  
Lowers the minimum ACT score required for initial qualification for a TOPS-Tech Award from 17 to 15

Present law for initial qualification for a TOPS Tech Award requires a minimum ACT score of 17. Proposed law reduces this score from 17 to 15 for students graduating high school during or after the 2021-2022 school year.

<b>EXPENDITURES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						
<b>REVENUES</b>	<b>2022-23</b>	<b>2023-24</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>5 -YEAR TOTAL</b>
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Agy. Self-Gen.	INCREASE	INCREASE	INCREASE	INCREASE	INCREASE	
Ded./Other	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Federal Funds	\$0	\$0	\$0	\$0	\$0	<b>\$0</b>
Local Funds	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<b><u>\$0</u></b>
<b>Annual Total</b>						

**EXPENDITURE EXPLANATION**

The proposed bill will increase costs for additional students that become eligible and accept TOPS Tech awards. Current eligibility for the TOPS Tech award requires an ACT score from 17 to 19; the proposed bill would expand the range to 15 to 19. Based on number of students with ACT scores of 15 and 16 and the average acceptance rates for TOPS Tech over the prior three years, expanded eligibility could increase costs by \$2.2 M in FY 23 and \$4.4 M thereafter; however, actual costs are indeterminable. The calculations below are used to determine the average annual cost increase.

*Historical Data:*

High School Graduation Year	<u>2018-19</u>	<u>2019-20</u>	<u>2020-21</u>	<u>3-Year Avg.</u>
# Students w/ 15-16 ACT Score	3,913	3,407	3,301	3,540
TOPS Tech Acceptance Rate	27.9%	22.6%	17.3%	22.9%

*Projected TOPS Tech Awards Based on Historical Data:*

Potentially New TOPS Tech Awards	1,093	769	573	812
Total Award Amounts (avg. award \$2,666)	\$2,912,907	\$2,050,091	\$1,526,655	\$2,164,792

**REVENUE EXPLANATION**

The proposed legislation will have an indeterminable impact on postsecondary institutions' self-generated revenue. Expanded eligibility for TOPS Tech awards could increase the number of students at two- and four-year institutions which would impact SGR at the respective institutions. It cannot be determined whether these students will seek other payment sources (e.g. self-pay or loan).

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}

*Evan Brasseaux*  
**Evan Brasseaux**  
**Interim Deputy Fiscal Officer**