

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



Fiscal Note On: **SB 272** SLS 24RS 502

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

<b>Date:</b> March 26, 2024 10:26 AM	<b>Author:</b> EDMONDS
<b>Dept./Agy.:</b> Board of Regents/LOSFA/Workforce Commission	<b>Analyst:</b> Chris Henry
<b>Subject:</b> M.J. Foster Promise Program	

COLLEGES/UNIVERSITIES OR GF EX See Note Page 1 of 1  
Provides relative to the M.J. Foster Promise Award program. (gov sig)

Present law limits state appropriations for the M.J. Foster Promise Program to no more than \$10.5 M annually with one pool of funding available for qualifying students in both public institutions and proprietary schools. Proposed legislation would increase the limit to no more than \$40 M with an additional condition that no more than 25% of the amount appropriated be allocated for students in proprietary schools. Proposed law authorizes the Louisiana Workforce Commission to convene the M.J. Foster Promise Advisory council on an annual basis for updates on the program and once every three years to review the workforce priorities of the state and its regions and to designate the programs of study which qualify for program awards.

EXPENDITURES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Agy. Self-Gen.	\$0	\$0	\$0	\$0	\$0	\$0
Ded./Other	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
Federal Funds	\$0	\$0	\$0	\$0	\$0	\$0
Local Funds	\$0	\$0	\$0	\$0	\$0	\$0
<b>Annual Total</b>						

REVENUES	2024-25	2025-26	2026-27	2027-28	2028-29	5 -YEAR TOTAL
State Gen. Fd.	\$0	\$0	\$0	\$0	\$0	\$0
Agy. Self-Gen.	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	SEE BELOW	
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>						

**EXPENDITURE EXPLANATION**

To the extent the proposed legislation is enacted, the legislature may choose to increase appropriations up to \$40 M for the M.J. Foster Promise Program. Appropriations for the Program have historically been made from statutory dedications out of the M.J. Foster Promise Program Fund, which has been funded solely from direct transfers of SGF.

Under current law, the Office of Student Financial Assistance (LOSFA) is allowed to retain 5% of the funding appropriated to the Program for administrative expenses, which is retained in the proposed legislation. The administrative component cannot exceed \$525,000 (5% of \$10.5 M) under current law. This amount under the proposed legislation would increase to a new cap of \$2 M (5% of \$40 M). Additionally, LOSFA reports needing to make changes to its award system to match the stipulations in the proposed legislation. This is estimated to require 30 hours of vendor time at a rate of \$110 per hour for a total cost of \$3,300.

The Louisiana Workforce Commission reports no significant change in expenditures would result from the convening requirements in the proposed legislation for the M.J. Foster Promise Advisory Council.

**REVENUE EXPLANATION**

If the appropriation for the M.J. Foster Promise Program increases beyond the current \$10.5 M level, there will likely be an increase in SGR revenues at two-year public postsecondary education institutions due to the enrollment of additional students who could now qualify for and receive an M.J. Foster Promise award as a result of this measure. This potential increase could be magnified due to the added requirement that 75% of the appropriation for the Program would be dedicated for students at public institutions.

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}

**Patrice Thomas**  
**Deputy Fiscal Officer**