

LEGISLATIVE FISCAL OFFICE
Fiscal Note



Fiscal Note On: **SB 190** SLS 14RS 389

Bill Text Version: **ORIGINAL**

Opp. Chamb. Action:

Proposed Amd.:

Sub. Bill For.:

Date: April 2, 2014	10:11 AM	Author: MORRISH
Dept./Agy.: Office of Student Financial Assistance		
Subject: Caps TOPS Awards and Authorizes Inflationary Increases		Analyst: Charley Rome

TOPS OR -\$1,024,000 GF EX See Note
Establishes a cap on TOPS award amounts. (gov sig)

Page 1 of 1

Proposed law provides that, beginning with the 2014-2015 award year: (1) The amount awarded by the state to a student who is the recipient of any TOPS award shall not exceed an amount equal to the award amount paid for the 2013-2014 award year, plus an amount equal to ten percent of the 2013-2014 award amount. (2) Retains payment of the supplemental amounts (stipends) established in present law for a recipient of a Performance or Honors award. Proposed law provides that, beginning with the 2015-2016 award year, the administering agency may consider any adjustments necessary to align TOPS award amounts with changes in the Consumer Price Index and recommend any such adjustments to the legislature for approval during legislative sessions held in odd-numbered years. Effective upon governor's signature.

EXPENDITURES	2014-15	2015-16	2016-17	2017-18	2018-19	5 -YEAR TOTAL
State Gen. Fd.	(\$1,024,000)	(\$21,358,000)	(\$44,832,000)	(\$71,307,000)	(\$101,602,000)	(\$240,123,000)
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	(\$1,024,000)	(\$21,358,000)	(\$44,832,000)	(\$71,307,000)	(\$101,602,000)	(\$240,123,000)
REVENUES	2014-15	2015-16	2016-17	2017-18	2018-19	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

State general fund expenditures for TOPS awards will decrease by an estimated \$1M in FY15 and by the following estimated amounts per fiscal year: FY16 (\$21.358M), FY17 (\$44.832M), FY18 (\$71.307M), and FY19 (\$101.602M). In FY15, the proposed legislation will impact awards to private and proprietary schools, due to the award level shifting from an amount based on prior year weighted average of TOPS payments to a 10% increase based on the prior year TOPS award amount. There is no impact to the public institutions as these awards are already included in the FY15 budget. For FY16 and thereafter, these cost savings assume that institutions will increase tuition and mandatory fees by 10% each year per authority authorized by the Louisiana Granting Resources and Autonomy for Diplomas Act (Grad Act) and that LOSFA will authorize 1.5% CPI adjustments in award amounts in FYs 16 through 19. Savings amounts will be less than estimated if institutions increase tuition less than 10% annually and/or if LOSFA authorizes CPI adjustments that exceed the 1.5% annual assumption included in these calculations.

REVENUE EXPLANATION

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

- | | | | |
|---|----------------------------|--------------|--|
| <u>Senate</u> | <u>Dual Referral Rules</u> | <u>House</u> | <input type="checkbox"/> 6.8(F)(1) >= \$100,000 SGF Fiscal Cost {H & S} |
| <input type="checkbox"/> 13.5.1 >= \$100,000 Annual Fiscal Cost {S&H} | | | <input type="checkbox"/> 6.8(F)(2) >= \$500,000 State Rev. Reduc. {H & S} |
| <input type="checkbox"/> 13.5.2 >= \$500,000 Annual Tax or Fee Change {S&H} | | | <input type="checkbox"/> 6.8(G) >= \$500,000 Tax or Fee Increase or a Net Fee Decrease {S} |

Evan Brasseaux
Evan Brasseaux
Staff Director